RAFFLES
INFRASTRUCTURE
HOLDINGS
LIMITED

ANNUAL REPORT 2022

CONTENTS

CORPORATE PROFILE

The Group is principally engaged in infrastructure investment in Asia, having created a platform to provide an integrated suite of services from investment, financing to construction and operation under the Public-Private Partnership (PPP) model.

Raffles Digital Infrastructure Pte Ltd has been established in December 2021 as a new subsidiary of Raffles Infrastructure. With a focus of helping companies within the Regional Comprehensive Economic Partnership (RCEP) region, Raffles Digital Infrastructure looks to provide the digital technological infrastructural backbone, acting as the one stop platform for MSMEs, providing strategic expertise and equipping them with digitalization capabilities in a quick and affordable way. Services include market entry advisory services, Software as a Service (SaaS), Platform as a Service (PaaS), and RCEP Supply Chain Infrastructure.

LETTER TO SHAREHOLDERS

"DEAR SHAREHOLDERS

Another year has flown by like in the blink of an eye and I am glad that the recent pandemic is nearly part of history for most fellow people by now although some may still be struggling from the invasion of Ukraine by Russia. Fortunately, the Group is not impacted by the conflict, and I hope peace will regain soon for those that are.

Since the joining of the new board members and management from end of 2021, the Group has successfully established a new segment of business focusing on digital infrastructure, a surging demand in the market especially after the series of intermittent lockdowns in several cities globally in the past couple of years.

On behalf of the Board and Management, I am therefore very pleased to present Raffles Infrastructure's Annual Report for FY2022."

OVERALL PERFORMANCE

In FY2022, the Group has reported a 4.6% return of equity, a profit after taxation and minority interests of RMB10.5 million, and a turnover rise of 37% year-on-year to RMB34.6 million, which comprises a total revenue of RMB24.8 million generated from the existing roadway construction project in China and a total revenue of RMB9.8 million from the digital infrastructure segment. It is pleasing to see the stable growth in the Group's financial performance with a new stream of revenue generated in this financial year.

EMERGENCE OF DIGITAL SOLUTIONS

Digital infrastructure is to promote digital innovation to seize the potential opportunities that digital transformation offers. This has created a favorable condition for digital adoption, together with the widely accessible high-speed internet access to support the growth of the economy particularly during the COVID-19 pandemic. The COVID-19 pandemic which restricts social movement, has been the catalyst for accelerating the development of e-Commerce.

With a focus of helping companies within the Regional Comprehensive Economic Partnership (RCEP) region, the digital infrastructure team looks to provide the digital technological infrastructural backbone, acting as the one stop platform for MSMEs, providing strategic expertise and equipping them with digitalization capabilities in a quick and affordable way. Services include market entry advisory services, Software as a Service (SaaS), Platform as a Service (PaaS), and RCEP Supply Chain Infrastructure, and payment API. I believe this is going to be an exciting and rewarding journey for the stakeholders.

NOTE OF APPRECIATION

On behalf of the Group, I would like to thank every employee for their effort and dedication as well as all the shareholders for the continuous support and confidence.

WONG ANN CHAI
Group Chairman,
Independent Director

BUSINESS REVIEW

OVERALL

In view of the global economic events in 2022 such as the spike in inflation, the travel restrictions, the manpower supply disruptions, the intermittent lock-down of cities in China due to the pandemic, the Russia-Ukraine conflict which led to further supply issues and higher commodity prices, the Group believes that the global growth will be slower in 2022 although still above trend, than in 2021 overall. The Board and Management remain prudent in the near term, particularly within the Asian regions where the Group invests and operates mostly.

Despite these unpredictable circumtances for global businesses, the Group managed to achieve a creditable financial result for FY2022, delivering a 4.6% ROE (FY2021:1.4%) with PATMI of RMB10.5 million (FY2021: RMB3.0 million) reported. The turnover for FY2022 rose by 37% year-on-year to RMB34.6 million, which comprises a total revenue of RMB24.8 million generated from the existing roadway construction project in China and a total revenue of RMB9.8 million from the new digital infrastructure business segment since January 2022.

Digital Infrastructure Business

Digital technology adoption and transformation are accelerating globally since the COVID-19 pandemic, reshaping consumers' behaviours and enterprises' operations. To align with our business development plans in digital infrastructure, the Company incorporated a wholly-owned new subsidiary in Singapore, Raffles Digital Infrastructure Pte Ltd, in January 2022, and three new subsidiaries in Malaysia, Indonesia and China respectively, to develop and expand our new digital business in the Regional Comprehensive Economic Partnership (RCEP) region. There are five key pillars of digital business segments including market entry market entry advisory, RCEP supply chain infrastructure, software-as-a-service (SaaS), platform as-a-service (PaaS), and payment application programming interface (API). With these key business pillars, the Group aims to assist micro, small and medium enterprises (MSMEs) across RCEP region who are intended to venture their businesses in new markets.

With several business partnership agreements signed and announced with various third parties during FY2022, the foundation work is being laid meticulously and steadily to ensure that a better and stronger structure is in place for both the current road construction infrastructure and new digital infrastructure businesses while we progressively set our market presence in Asia.

Existing Infrastructure Business

Since 2018, when the Group switched its core business from manufacturing to infrastructure investments in Asia, it has established a new set of vision, mission and core values. Currently, the Group's existing key operating business is the roadway construction project undertaken by Bo Dao Road Construction Co., Ltd. ("**Bo Dao Project**") in accordance with the Public-Private-Partnership ("**PPP**") agreement signed with the Provincial Government (the "**Client**"), Xingwen Transportation Bureau(兴文交通局), in the People's Republic of China in 2016. The Bo Dao Project is valued at approximately RMB550 million and involves the construction of 220 kilometers of rural roads in Xingwen County, Sichuan Province. In accordance with the PPP arrangement, the credit term of the Project given to the Client is based on a progressive payment schedule for every parcel of road accepted ("**Parcel**") by the Client. This is payable by the Client over a period of 10 years, with an annual payment amount fixed at 10% of the principal sum of the Parcel plus an investment return of 8.8% per annum for the Parcel.

The Company undertakes the role of the project manager whilst the construction of roads is outsourced to a main contractor, who is also the minor shareholder of Bo Dao Construction Co., Ltd., collectively providing an integrated suite of services from investments, financing to operation focused under PPP business model.

For FY2022, the Bo Dao Project has continued to contribute a main business revenue to the Group. As of financial year ended 30 June 2022, total payments amounting to RMB159.9 million have been collected from the Client.

BUSINESS REVIEW

The Group's Key Financial Information

Financial Year ("FY")	FY2020 RMB'000	FY2021 RMB'000	FY2022 RMB'000
Revenue	187,992	25,168	34,563
Net Profit before Tax	40,796	4,957	13,334
PATMI	25,389	3,031	10,484
Gross Profit Margin	23.5%	27.3%	27.9%
Net Profit Margin	13.5%	12.0%	30.3%
Return on Equity	12.1%	1.4%	4.6%
Net Asset Value Per Share	3.08	3.15	3.32
Basic Earnings Per Share	0.37	0.04	0.15

Revenue and Net profit

In FY2022, the Bo Dao Project contributed 72% to our total revenue, and remains as the Group's predominant revenue stream. The revenue is recognised upon the receipt of initial 10% of the principal sum of the completed project plus an investment of return 8.8% per annum from the Client. Despite a challenging economic backdrop and the rigorous policy for Covid 19 pandemic in China, the actual revenue recognition is continuously growing in tandem with the milestones achieved, and the project milestones for each road parcel have been closely monitored, assessed and met in an orderly manner.

The Group registered a total revenue of RMB9.8million from the digital infrastructure business segment, contributed under SaaS business unit since January 2022. The scope of work for SaaS includes set ups of customised e-platforms for customers' management database and data analytic systems as well as monthly maintenance services with technical support on users' database, database security systems and back-up systems.

The Group achieved a profit before tax (PBT) of RMB13.3 million for FY2022. In line with the PBT, income tax expense recorded RMB1.7 million for FY2022. This translates to net margin of 30.3% for FY 2022 (FY 2021: 12.0%). The significant improvement in net profit margin was mainly attributable to the digital infrastructure business with the average gross profit of 42% per service contract with the customers.

Review of Financial Position

As at 30 June 2022, the Group's total assets stood at RMB432.0 million (FY2021: RMB421.2 million). Of a total assets of RMB432.0 million, total non-current trade and other receivables of RMB233.3 million and current trade receivables of RMB59.9 million pertaining to Bo Dao Project. During FY2022, the Group received a total payment amounting to RMB43.1 million from the Client, which included the RMB2.6 million received for one of the completed road parcels and a remainder of RMB40.5 million for the balance due from the previous completed road parcels.

Current contract assets increased by RMB17.9 million or 61.2% from RMB29.2 million as at 30 June 2021 to RMB47.0 million as at 30 June 2022. This was mainly due to additional construction costs incurred for the on-going road parcels which are under construction in progress as at 30 June 2022. The construction costs incurred for each road parcel will be transferred from the current contract assets to trade receivables upon the acceptance of the Client and followed by the initial 10% payment received. Accordingly, the revenue will be recognised.

Trade and other payables of RMB180.5 million for FY2022 mainly comprise of the amount due to non-controlling interest of a subsidiary – 宜宾路桥 of RMB117.4 million (FY2021:RMB149.1 million) who is also the main contractor of Bo Dao Project. Both 宜宾路桥 and the Company mutually agreed that the settlement of the contractor's costs will be due upon the Company's receipt of payment from the Client. The Group is of the view that the non-current trade and other receivables amounting to RMB233.3 million as at 30 June 2022 together with a total cash reserves of RMB85.6 million is able to meet its short term obligations as and when they fall due.

Overall, the Group remains profitable, the robust net assets of RMB225.7 million (FY2021: RMB214.0 million) and positive operating cashflow of RMB26.8 million. Net Asset Value per share grew 5.4% to RMB3.32 (FY2021: RMB3.15). The ROE has also improved from 1.4% for FY2021 to 4.6% for FY2022.

In view of the above, the Board is of the opinion that the Company is able to operate as a going concern and is able to meet its obligations as and when they fall due. Moving forward, the Group's business development in the digital infrastructure business and the existing road construction infrastructure business will continue to generate significant value for our partners and stakeholders.

BOARD OF DIRECTORS

RYAN CHIU TZONG MIN, 45

Executive Director and
Deputy Chief Executive Officer

Academic and professional qualification:
Bachelor of Mechanical Engineering,
National University of Singapore

Date of initial appointment as director:
13 December 2021

Date of last re-election as director:
N.A.

Length of service:
6 months (as at 30 June 2022)

Served on the following Board Committees:
Nil

Present Directorships in other listed companies:
Nil

Present Principal Commitments:
Raffles Infrastructure Development Pte. Ltd. - Director
Raffles Digital Infrastructure Pte. Ltd. - Director

Directorships in other listed companies held over the preceding three years:
Nil

Background and experience:
Mr. Chiu has more than 20 years of experience in Medical Services, Healthtech, Digital Infrastructure and Fintech. The vast industry experience Mr. Chiu has accumulated for the past 2 decades has allowed him to identify business opportunities across the ASEAN market. He had regional hands on experiences building digital infrastructure business such as Platform as a service and cloud technology solutions. Mr. Chiu is also active in the venture capital space, where he looks to invest in high-growth companies with strong economic moat across the ASEAN market.

WONG ANN CHAI, 55

Independent Director and Chairman

Academic and professional qualification:
BA (Hons) in Engineering Science,
University of Oxford United Kingdom
Master's in Business Administration,
Sloan School of Management

Date of initial appointment as director:
1 October 2020

Date of last re-election as director:
30 October 2020

Length of service:
1 year 9 months (as at 30 June 2022)

Served on the following Board Committees:
Nominating Committee – Chairman
Audit Committee – Member
Remuneration Committee – Member

Present Directorships in other listed companies:
Nil

Present Principal Commitments:
Nanosun Pte Ltd – Managing Director

Directorships in other listed companies held over the preceding three years:
Nil

Background and experience:
An investment banker, Mr. Wong was the Executive Director in the Investment Banking Division for Southeast Asia, Asia ex-Japan at Nomura. He was Managing Director heading the planning function of DBS Group, directing acquisitions, JVs in the Financial Institutions space, and developing organic growth initiatives with commercial, consumer banking, asset management, treasury business units across the key markets. Within DBS, he started in Equity Capital Market Department, and later oversaw the DBS-Cholamandam Finance company in India with over 200 branches providing corporate loans and SME financing. Mr. Wong was Adjunct Professor of Banking & Finance at Nanyang Business School for 7 years.

BOARD OF DIRECTORS

CHAY YIOWMIN, 48

Lead Independent Director

Academic and professional qualification:
Associate Chartered Accountant, Institute of Chartered Accountants in England and Wales (ICAEW)

Master, Business Administration, University of Birmingham

Bachelor of Accountancy and Master of Business Administration, Nanyang Technological University

Chartered Valuer and Appraiser (CVA), Institute of Valuers and Appraisers of Singapore (IVAS)

Fellow Chartered Accountant of Singapore (FCA Singapore), Institute of Singapore Chartered Accountants (ISCA)

Date of initial appointment as director:
13 December 2021

Date of last re-election as director:
N.A.

Length of service:
6 months (as at 30 June 2022)

Served on the following Board Committees:
Audit Committee – Chairman

Nominating Committee – Member

Remuneration Committee – Member

Present Directorships in other listed companies:
UMS Holdings Limited

8I Holdings Limited

Metech International Limited

Watches.com Limited

Present Principal Commitments:
Chay Corporate Advisory Pte Ltd – Chief Executive Officer

Directorships in other listed companies held over the preceding three years:
UMS Holdings Limited

8I Holdings Limited

Metech International Limited

Watches.com Limited

Mary Chia Holdings Limited

Background and experience:
Mr. Chay is currently the chief executive officer of Chay Corporate Advisory Pte. Ltd., a boutique corporate advisory firm. He is also the lead independent and non-executive director of 3 other listed companies and the non-executive director of another listed company. Between 2013 and 2015, Mr. Chay was the lead independent and non-executive director of Advance SCT Limited, and between 2019 and 2020, Mr. Chay was a non-executive director of Libra Group Limited.

Since graduating in 1998, Mr. Chay has accumulated many years of public accounting experience in Singapore and the United Kingdom with a number of reputable international accounting firms, including PricewaterhouseCoopers LLP, Deloitte and Touche LLP, Moore Stephens LLP and BDO LLP, the latter of which he was the advisory partner heading the Corporate Finance Practice from 2012 to 2019. Prior to joining BDO LLP, he was an assurance partner from 2010 to 2012, specialising in financial services and shipping.

Mr. Chay currently sits on the Singapore steering committee of the Professional Risk Managers' International Association (PRMIA), and the Standards and Technical Committee of IVAS, the latter of which he is also a programme instructor and an associate lecturer with the Singapore University of Social Sciences (SUSS) teaching financial statements analysis and valuation. Presently, an active Grassroots Leader, serving as the Assistant Treasurer and Auditor with the Fernvale and Kebun Baru Citizen Consultative Committees respectively, Mr. Chay also serves as the Chairman and Treasurer of the Buangkok Community Club Management Committee and the Fernvale Citizen Consultative Committee Community Development Welfare Fund, as well as a member of the Kebun Baru Inter-Racial and Religious Confidence Circles. Mr. Chay was awarded the Pingat Bakti Masyarakat (Public Service Medal) (PBM) by the President of the Republic of Singapore on 9 August 2016.

BOARD OF DIRECTORS

LI JIA CHEN, 51

Non-Executive Non-Independent Director

Academic and professional qualification:
Degree in Economics and Trading,
Zhengzhou University

Master's Degree in Business Administration,
China Renmin University

Date of initial appointment as director:
28 September 2018

Date of last re-election as director:
29 October 2021

Length of service:
3 years 9 months (as at 30 June 2021)

Present Directorships in other listed companies:
Nil

Present Principal Commitments:
China Capital Investment Group -
Vice Chairman and President of Operations

Directorships in other listed companies held over the preceding three years:
Nil

Background and experience:
Mr. Li is Vice Chairman and President of Operations for China Capital Investment Group (CCIG). He previously spent more than 10 years in the China International Council for the Promotion of Multinational Corporations under the Ministry of Commerce as well as in the China International Material and Equipment Trade Cooperation Centre under the State-owned Assets Supervision and Administration Commission for Financial Asset and Management Committee.

YUANITA TJIA, 40

Non-Executive Non-Independent Director

Academic and professional qualification:
Bachelor of Business Administration,
National University of Singapore

Date of initial appointment as director:
13 December 2021

Date of last re-election as director:
N.A.

Length of service:
6 months (as at 30 June 2022)

Served on the following Board Committees:
Nominating Committee – Member

Audit Committee – Member

Remuneration Committee – Member

Present Directorships in other listed companies:
Nil

Present Principal Commitments:
Cap 1 Financial Pte. Ltd. - Managing Director

Belt and Road Investment Management Advisory Pte. Ltd. - Director

Luminious Dental Holdings Group - Director

Directorships in other listed companies held over the preceding three years:
NIL

Background and experience:
Ms. Tjia has 20 years of experience in Financial Services. As the Managing Director of CAP 1 Financial, she is responsible in overseeing the overall operations of the company, managing key strategic clients and stakeholders. She also sits on investment boards of various Variable Capital Company (VCC) as Permissible Fund Manager. Prior to CAP 1, she was director of financial markets Sales for Corporates of Standard Chartered Bank and providing hedging and investment solutions to corporates.

BOARD OF DIRECTORS

CHEN MEIYUN, AGNES, 39

Non-Executive Independent Director

Academic and professional qualification:
Practioner, Trust Estate,
Society of Trust and Estate Practioner (STEP)

Professional Member of International Compliance

Qualified Practioner,
Compliance and Anti-Money Laundering Association (MICA)

Bachelor of Science Finance,
Singapore Institute of Management

Date of initial appointment as director:
26 January 2022

Date of last re-election as director:
N.A.

Length of service:
5 months (as at 30 June 2022)

Served on the following Board Committees:
Remuneration Committee – Chairman

Present Directorships in other listed companies:
Nil

Present Principal Commitments:
Adicio Pte Ltd
Auverve Pte. Limited
Blueshift Labs Singapore Pte. Ltd.
CFA Institute Singapore Private Limited
Corporation Service Company (Singapore) Pte. Ltd.
CSC Asia Services (Hong Kong) Limited
CSC Directors 1 (HK) Limited
CSC Directors 2 (HK) Limited
CSC GFM Asia Services (Hong Kong) Pte Limited
CSC International Trading (Shanghai) Company Limited
CSC Management Consulting (Shanghai) Company Limited
CSC Secretarial Limited
CSC Tax Services Limited
CSCGFM Asia Services (Singapore) Pte. Ltd.
CSCGFM Corporate Services (Singapore) Pte. Ltd.
Euro Core Private Limited
FACT Asia Consultants Pte. Ltd.
First Dutch Investment Company Pte. Ltd.
Firstcorp Global Ptd. Ltd.
Firstcorp International Pte. Ltd.
Firstcorp Pte. Ltd.
Fractal Private Limited
Goindustry Dovebid (s) Pte. Ltd.
Heritage Investment Capital Pte. Ltd.
IN-SITU Monitoring Asia Pte. Ltd.
Kyocera Avx Components (Singapore) Pte. Ltd.
Kyocera Avx Components Pte. Ltd.
NEI Apac Pte. Ltd.
New Energy Nexus Asia Pte. Ltd.
New Energy Nexus Ventures Ptd. Ltd.
Noord Holdings Pte. Ltd.
Nu Global Pte. Limited
Red Ventures Interactive Pte. Ltd.
Shaw Industries Asia Pte. Ltd.
Snagr Private Limited
Starlims Systems Pte. Ltd
WLB Asset II B Pte. Ltd.
WLB Asset II C Pte. Ltd.
WLB Asset II D Pte. Ltd.
Zuyd Holdings Pte. Ltd.

Directorships in other listed companies held over the preceding three years:
NIL

Background and experience:
Ms. Chen has more than 15 years of operational and executive management experience in the banking, trust, wealth management planning/ structuring, compliance, and fund administration services sector. She is currently the managing director of CSC Global Financial Markets APAC, responsible for Hong Kong, Shanghai, Shenzhen, and Singapore. Throughout her career, she held key roles representing licensed trust companies for corporate and fund services, as well as private and corporate trust companies in Singapore, Hong Kong, and other key jurisdictions.

KEY MANAGEMENT

RYAN CHIU TZONG MIN

Executive Director and
Deputy Chief Executive Officer

Academic and professional qualification:
Bachelor of Mechanical Engineering,
National University of Singapore

Background and experience:
Mr. Chiu has more than 20 years of experience in Medical Services, Healthtech, Digital Infrastructure and Fintech. The vast industry experience Mr. Chiu has accumulated for the past 2 decades has allowed him to identify business opportunities across the ASEAN market. He had regional hands on experiences building digital infrastructure business such as Platform as a service and cloud technology solutions. Mr. Chiu is also active in the venture capital space, where he looks to invest in high-growth companies with strong economic moat across the ASEAN market.

JIANG JIAN PENG

Financial Controller (China)

Academic and professional qualification:
Bachelor Degree in Accountancy,
University of Finance and Economics

Background and experience:
Mr. Jiang joined the Group as Financial Controller (China) on 1 December 2018 and is in charge of the financial reporting for the subsidiaries in China. With the Financial Controller (Group), he supervises the accounts team of the China subsidiaries. He has more than 15 years of experience in the spectrum of Corporate Finance in commercial organisations and has extensive knowledge in accountancy, corporate finance, mergers and acquisitions.

XIE LI (SHERRY)

Financial Controller (Group)

Academic and professional qualification:
Bachelor Degree in Accountancy,
Oxford Brookes University United Kingdom

Fellowship (FCCA),
Association of Chartered Certified Accountant

Chartered Accountant (CA) of Singapore

Background and experience:
Ms. Xie joined the Group as the Finance Manager in October 2020 and has been in charge of the accounts and financial reporting for the Group. She has over 10 years of experience in the finance and audit industry with deep knowledge in accounting, compliance and corporate finance management. Ms. Xie was also formerly involved in IPO audit services in listing companies in Singapore, Malaysia and United States of America.

KEY MANAGEMENT

MA QINGREN

Chief Product Technology Officer

Academic and professional qualification:
Bachelor Degree in Business Administration,
Beijing University of Posts and Telecommunications

Bachelor Degree in Finance,
Hebei University of Finance

Background and experience:
Mr. Ma joined the Group as the Chief Product Technology Officer in April 2022. He has years of experience in building large digital infrastructures, products, ecommerce, and payment systems and was previously a product manager for digital payments, e-commerce, mobile financing products. Most recently, he was the Deputy General Manager of Beijing Yi Nong Te Ecological Agriculture Science and Technology 北京宜农特生态农业科技有限公司 and Product Director of Quantitative Space (Beijing) Information Technology 量化空间信息技术(北京)有限公司. He was also the Senior Product Manager of Beijing Zhangzhong Financial Information Service 北京掌众金融信息服务有限公司, where he led the team through projects such as Polopay products, the Heng Feng Bank Depository System, and the Zhangzhong Financial Credit Risk management and Payment Systems.

KIM JIWON (REBECCA)

Head of Growth

Academic and professional qualification:
Bachelor of Science Business Administration in International Business,
The State University of New York at Buffalo

CMFAS licensed, Capital Markets and Financial Advisory Services

Background and experience:
Ms. Kim has years of experience in Financial Services. Prior to joining Raffles Infrastructure, she has worked across various MNCs such as CGS-CIMB Securities Singapore. Of which, she was responsible in overseeing the overall Business Development of the Leveraged Products Department as the Senior Associate, managing key strategic clients and investors. With a wide range of financial know-how, especially in equities trading and market analysis, she provided customised financial solutions to various financial entities.

ZHONG JINGYI

Chief Risk Management Officer

Academic and professional qualification:
Bachelor Degree in Engineering,
Chengdu University of Information Technology

Background and experience:
Mr. Zhong has years of experience as a risk management officer having started his career with National Computer Systems Pte Ltd, a multinational information technology and communications engineering company founded in 1981, as an agency of the Singapore government, where he was responsible for developing the credit risk data models for the risk management group of DBS Bank. In his capacity as the senior product risk manager in Jumei International Holding Limited which is one of the largest online fashion and lifestyle ecommerce platform, listed on New York Stock Exchange, he was responsible for building an internal financial credit risk model, optimizing risk control through effective usage of data. He was also responsible for the development of the credit risk management model for Fintech products in inclusive financing and payments during his tenure in Full truck Co, the "Uber of Trucks" which is also listed on the New York Stock Exchange.

KEY MANAGEMENT

ERIC CHOO HAN KIAT

Executive Officer (China)

Academic and professional qualification:
Master's Degree in International Accounting and Finance,
London School of Economics Political Science
United Kingdom

Background and experience:
Mr. Choo is the former Executive Director and Chief Executive Officer of the Company. After stepping down from his former position in January 2022, he remained as the legal representative of Raffles (Chengdu) Investment & Development Co., Ltd and legal representative and Director of Bo Dao Road Construction Co., Ltd, of which both are subsidiaries of the Company. Mr. Choo joined the Group in 2017 with over two decades of experience in the finance field with previous positions in global MNCs like Hewlett Packard and Apple Inc..

LIM BOH SOON

Advisor to the Board

Academic and professional qualification:
PHD in Mechanical Engineering,
University of StrathClyde, United Kingdom

Bachelor of Science (First Class Honours)
in Mechanical Engineering,
University of StrathClyde, United Kingdom

Background and experience:
Dr. Lim is a Fellow at the Singapore Institute of Directors, an Adjunct Professor at The Singapore Management University and also currently an Independent Director on the board of 3 publicly listed companies, with 2 on Singapore Stock Exchange and 1 on Nasdaq-USA. Dr Lim Boh Soon has more than 28 years of working experience in Asia, where he held various senior management positions for The Rothschild Group, Swiss Banking Group UBS AG, State-owned Vietcombank in Vietnam and was the First NonMuslim CEO of Kuwait Finance House. He is also a Venture Partner of the Trans-Pacific Technology Fund ("**TPTF**") which is managed jointly by 360ip & ITIC. Based in Taipei, TPTF is a venture capital fund focusing on investments in early, growth, expansion & late-stage technology companies in sectors such as robotics/advanced manufacturing, ICT & IoT in Asia & the US.

CHIA SOO HIAN

Advisor to the Board

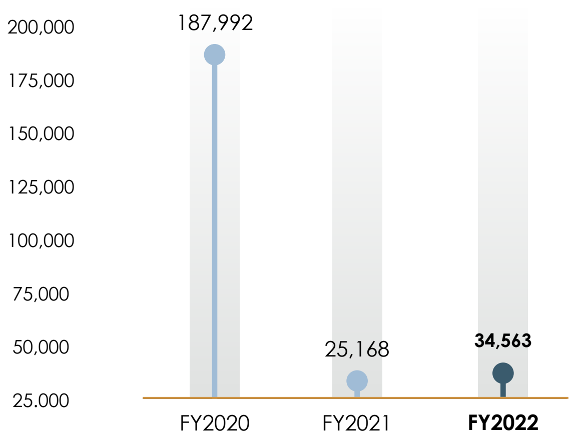
Academic and professional qualification:
Masters in Engineering,
University of Oxford England

Background and experience:
Mr. Chia has over 20 years of experience in the digital infrastructure industry, providing consultancy services and customized digital infrastructure solutions for businesses in numerous industries. He is also the Founding partner of Altage Capital where he co-developed the mainframe for Altage Capital's algorithmic trading system and is continuously developing new algo-trading methods to trade all assets classes including but not limited to foreign exchange trading. He also possesses a deep interest in machine learning and is looking to further develop such system in the near future.

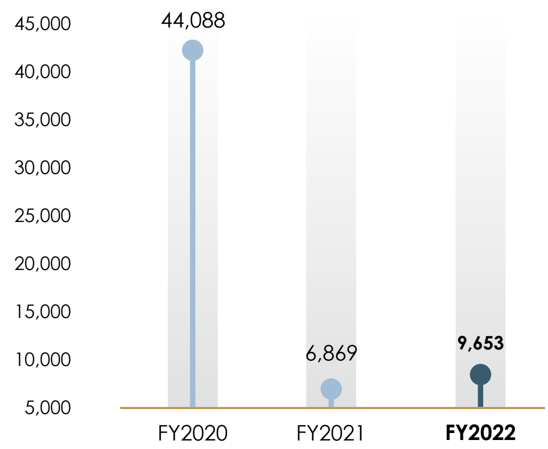
GROUP FINANCIAL HIGHLIGHTS

	FY2020	FY2021	FY2022
Revenue (RMB'000)	187,992	25,168	**34,563**
Gross Profit (RMB'000)	44,088	6,869	**9,653**
Profit after tax (RMB'000)	28,690	3,947	**11,665**
Equity attributable to owners of the company (RMB'000)	209,434	213,962	**225,666**

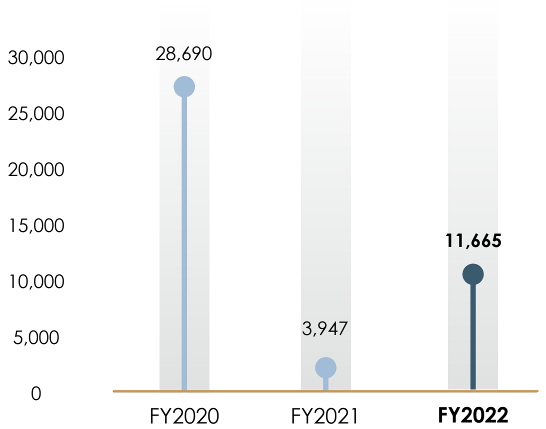
REVENUE
(RMB'000)



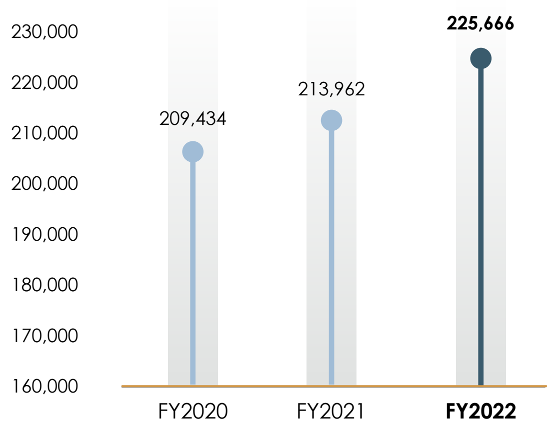
GROSS PROFIT
(RMB'000)



PROFIT AFTER TAX
(RMB'000)



EQUITY ATTRIBUTE TO OWNERS OF THE COMPANY
(RMB'000)



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Ryan Chiu Tzong Min
Executive Director and
Deputy Chief Executive Officer

Mr. Li Jia Chen
Non-Executive Non-Independent Director

Ms. Yuanita Tjia
Non-Executive Non-Independent Director

Mr. Wong Ann Chai
Independent Director and Chairman

Mr. Chay Yiowmin
Lead Independent Director

Ms. Chen Meiyun, Agnes
Independent Director

AUDIT COMMITTEE

Mr. Chay Yiowmin (Chairperson)
Mr. Wong Ann Chai
Ms. Yuanita Tjia

NOMINATING COMMITTEE

Mr. Wong Ann Chai (Chairperson)
Mr. Chay Yiowmin
Ms. Yuanita Tjia

REMUNERATION COMMITTEE

Ms. Chen Meiyun, Agnes (Chairperson)
Mr. Wong Ann Chai
Mr. Chay Yiowmin
Ms. Yuanita Tjia

COMPANY SECRETARY

Ms. Gn Jong Yuh Gwendolyn

ASSISTANT COMPANY SECRETARY

BM Corporate Services Ltd.

REGISTERED OFFICE

3rd Floor, Sofia House,
48 Church Street,
Hamilton HM 12,
Bermuda

BERMUDA COMPANY REGISTRATION NUMBER

40381

BERMUDA SHARE REGISTRAR

BM Corporate Services Ltd.
3rd Floor, Sofia House,
48 Church Street,
Hamilton HM 12,
Bermuda

SINGAPORE SHARE TRANSFER AGENT

In.Corp Corporate Services Pte. Ltd.
30 Cecil Street, #19-08 Prudential Tower,
Singapore 049712

INDEPENDENT AUDITOR

RT LLP
Public Accountants and Chartered Accountants
70 Shenton Way,
#07-15 Eon Shenton,
Singapore 079118

Partner-in-charge:
Mr. Ravinthran Arumugam FCA
(Since the financial year ended 31 December 2017)

PRINCIPAL BANKERS

Agricultural Bank of China
Oversea-Chinese Banking Corporation Limited
United Overseas Bank Limited

SUSTAINABILITY REPORT

DEPUTY CEO MESSAGE

Raffles Infrastructure Holdings Limited ("Raffles Infrastructure Holdings" or the "Company" and together with our subsidiaries, the "Group"), would like to present our fourth Sustainability Report for the financial year ended 30 June 2022, which highlights the progress and achievements of our Group over the last 12 months. As with previous years, we are committed to the topic of sustainability and would like to share our progress on sustainability over the year, as well as our approach, practices and performance around relevant material topics.

Focus on Sustainability

The Board has been involved in the Group's sustainability efforts by actively overseeing Management's responsibilities of identifying, managing, and monitoring material Economic, Environment, Social and Governance ("**EESG**") topics, as part of its overall responsibility of directing and leading the organisation towards our mission of value creation and building a sustainable business. As such, the Group will continue to address our challenges and drive long-term growth while mitigating the environmental and social risks that might have a negative financial impact on our business.

FY2022 marks the fourth year the group publishes our sustainability report. We greatly believe that building a sustainable business is vital to our continued success and that we must be fully accountable for our impact on the environment, our customers, our people and our community, as well as its financial performance.

With the growing expectations and concerns about sustainability from various stakeholders, we believe our business goes beyond simply providing these services and understand that the consideration of sustainability cannot be left out in strategic decisions.

In FY2022, the Company continues to adopt the Global Reporting Initiative ("**GRI**") reporting framework.

Support UN SDGs

In FY2022, the Group was committed to supporting the 17 United Nations Sustainable Development Goals ("**UN SDGs**") and has linked these goals with our material sustainability activities. We support the UN SDGs and strive to commit to playing our part in achieving these global goals.

Global Challenge

The outbreak of coronavirus ("**COVID-19**") has brought many uncertainties to our societies and business environment. Although the gradual recovery from the impact of the COVID-19 pandemic is underway, the happening of the Russian-Ukraine war brings more challenges at this time, such as the surge in energy supplies, resources shortages and so on. This is coupled with other economic factors such as rising inflation rates and labour costs.

At this challenging time, we strive to continue safeguarding the well-being of our staff and customers and deliver quality services to our valued customers with minimal disruptions to our operations. Our management will closely monitor all developments that may affect long-term sustainability. As management, we also keep looking for possible business opportunities to help the group build up long-term sustainable development by strengthening our regional network. Simultaneously, as we pursue our business development plans, we keep a close watch on operational costs and continually work to enhance the Group's operational efficiency.

Last but not least, we would like to take this opportunity to express our gratitude to all employees, customers, and stakeholders for their continuous support over the years. Building on our strong foundation, we will continue working with our stakeholders to steer towards a sustainable future.

RYAN CHIU TZONG MIN
Deputy Chief Executive Officer

SUSTAINABILITY REPORT

BOARD STATEMENT

Raffles Infrastructure Holdings Limited, together with our subsidiaries, hold the highest standards of professional conduct, accountability and transparency.

The Board of Directors is responsible for Raffles Infrastructure Holdings' EESG strategy and performance and takes the lead in formulating the sustainable development strategies, objectives and management policies, and coordinating the resources for and implementing sustainable development objectives.

We strive to uphold a safe working environment with good corporate governance practices with zero tolerance for corruption or fraud, and further our participation in environmental conservation activities to protect our stakeholders' benefits.

This sustainability report provides details on how Raffles Infrastructure Holdings manages our material EESG impacts to create a positive value for our stakeholders. The Board has reviewed and endorsed this sustainability report.

SUSTAINABILITY REPORT

ABOUT THE GROUP

Raffles Infrastructure Holdings, incorporated in Bermuda in 2007, is listed on the Main Board of the Singapore Exchange Securities Trading Limited, with its head office in Singapore. The Group has been engaging in infrastructure investments and projects in Asia via Public-Private Partnership, a project model for public infrastructure projects jointly owned by the local government and private partners in the past four years

In December 2021, Raffles Digital Infrastructure Pte Ltd ("**Raffles Digital**"), a new subsidiary of the Company, was established with the focus of helping companies within the Regional Comprehensive Economic Partnership ("**RCEP**") region. Raffles Digital looks to provide the digital technological infrastructural backbone, acting as the one-stop platform for MSMEs, providing strategic expertise and equipping them with digitalization capabilities in a quick and affordable way. Services include market entry advisory services, Software as a Service ("**SaaS**"), Platform as a Service ("**PaaS**"), and RCEP Supply Chain Infrastructure.

The Group has a multitude of stakeholders in its network, including partners and employees with an average of over 20 years of experience. This will allow the Company to provide excellent, efficient support contextualized within the specific needs and nature of the market encompassing any individual firm.

With a multi-year expansion strategy, Raffles Digital looks to expand into Indonesia, Malaysia, Philippines, Thailand, Vietnam, China and Korea over the next 5 years. Raffles Digital will have a team of highly qualified developers to work on customization of our offerings, and to build a strong base of loyal clients who will be utilizing Raffles Digital's infrastructure as they embark on their international expansion. With the development of Raffles Digital's own systems and platforms, it will provide healthy cash flow and assets to the Group and its investors.

SUSTAINABILITY REPORT

SUPPORT OF THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (UN SDGs)

The United Nations Sustainable Development Goals ("**UN SDGs**") provide a shared roadmap for governments, private sectors and civil society organizations to address the most pressing social and environmental issues faced by our society today.

The UN SDGs aim to end poverty, protect the planet and ensure peace and prosperity for all people by 2030.

Source: Image from United Nations (https://sdgs.un.org/goals)

At Raffles Infrastructure Holdings, we are committed to playing our part in supporting 17 global goals.

In FY2022, we mapped the 17 goals over our material topics and decided to focus on the following goals in our sustainable business strategy.

SUSTAINABILITY REPORT

ABOUT THIS REPORT

Raffles Infrastructure Holdings is proud to present its fourth annual Sustainability Report for FY2022.

Sustainability is part of our group's key strategy to create long-term value for all our stakeholders. The Group recognized the importance of Economic, Environmental, Social and Governance ("**EESG**") in creating sustainable value for our businesses and stakeholders. We adopt the principles of sustainability throughout our value chain and continue to build sustainable practices in every aspect of the Group's businesses to achieve high levels of integrity and excellence in our operation activities.

This Report provides a comprehensive understanding of our annual performance on sustainability. This Report shall be read together with Raffles Infrastructure Holdings' FY 2022 Annual Report.

Reporting Framework

This Report is prepared with reference to the Global Reporting Initiative (GRI) Standards and is aligned with the reporting requirements of Singapore Exchange listing rules (711A and 711B).

The Group has decided to refer to the GRI Standards for preparing our sustainability reporting because they are the most internationally recognized guidelines and widely adopted standards worldwide.

Reporting Scope and Period

This Report covers Raffles Infrastructure Holding's sustainability performance for FY2022 from 1 JULY 2021 to 30 JUNE 2022.

The performance and data reflected in this Report cover the Group's main project operations in the People's Republic of China.

Report Accessibility

As part of our Group's strategy to reduce our environmental footprint and the impact on the environment, the hard copy version of this Report will not be made available.

The Report is only available in PDF format which can be downloaded from SGXNET and our website: https://rafflesinfrastructure.com/investor-relations/.

Feedback

Feedback from the Company's stakeholders is imperative to our Group's continuous improvement and growth.

We value and welcome feedback about our sustainability reporting and practices, as we continuously strive to improve our sustainability practices in the years to come.

We welcome views on this Report from stakeholders. Please send feedback and enquiries to Ms Amy Zhang: amyzhang@rafflesinfrastructure.com.

Independent Assurance

The data and information provided in this Report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure data and information accuracy.

Hence, there is no independent external assurance for this Report.

SUSTAINABILITY REPORT

REPORTING PRINCIPLES

The content of this Report is defined by the 4 Content Reporting Principles established by GRI as follows:

Stakeholder Inclusiveness → Sustainability Context → Materiality → Completeness

Principles	Objectives
Stakeholder Inclusiveness	Defining stakeholders and explaining how the Group has responded to their expectations and interests.
Sustainability Context	Presenting the Group's performance in the wider context of sustainability.
Materiality	Identifying the Group's significant EESG factors.
Completeness	Disclosing significant EESG factors and boundaries to assess the Group's performance in the reporting period.

OUR KEY BUSINESS ACTIVITIES AND VALUE CHAIN

Raffles Infrastructure Holdings and its subsidiaries is an Asia-leading enterprise that has specialized in developing traditional and digital infrastructure since the transformation in 2018.

Business Transformation

During FY2022, the Group has expanded its business streams, focusing from high capital expenditure projects to low capital expenditure projects, from traditional infrastructure projects to technology-driven infrastructure projects.

SUSTAINABILITY REPORT

Traditional Infrastructure

Under our construction-related infrastructure business segment, we provide an integrated range of construction-related services in Asia, such as roadways.

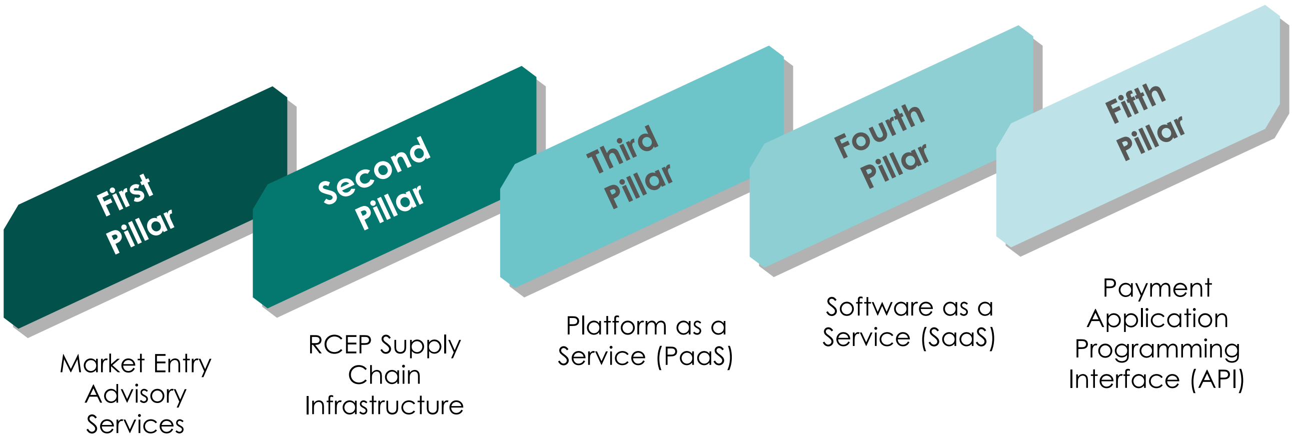
Business Case of Traditional Infrastructure Project

The current project is in the People's Republic of China (the "**PRC**"). It is a construction of 220 kilometres road construction project valued at RMB550 million, collaborated with the local government of Xingwen County under the management of the Company's subsidiary, Bo Dao Road Construction Co., Ltd. This project generates a stable income stream over 10 years for the Group.

Digital Infrastructure

Raffles Digital was established in December 2021 as a new subsidiary of Raffles Infrastructure Holdings. Raffles Digital focuses on setting up digital infrastructure in providing the technological infrastructural backbone, strategic expertise, and digitalization capability to firms under the Regional Comprehensive Economic Partnership ("**RCEP**").

Raffles Digital focuses on 5 pillars of growth comprising of the following areas:



Our Value Proposition

Raffles Digital will function as a one-stop service centre for MSMEs across RCEP. Its market entry advisory services will provide curated strategic guidance on the vision setting of businesses venturing abroad. Subsequently, Raffles Digital's supply chain infrastructure will function as a facilitating middleman, tackling the challenges of cross-border transactions and communications. Throughout this entire process, SaaS and Platform as a Service ("**PaaS**") offered by Raffles Digital, focuses on facilitating the digitalization process of MSMEs, which is based on the specific degree of customization, control, and technical expertise of each firm.

Business Performance

As of 30 June 2022, the Group has a team of 20 employees, covering the key operation functions.

In terms of its economic performance, the Group has achieved RMB25.2 million in FY2021 and RMB34.6 million in FY2022 with net profits of RMB3.9 million and RMB11.7 million respectively.

OUR BUSINESS LOCATION

OUR CORRESPONDENCE ADDRESS IN SINGAPORE

1 Robinson Road
#17-00 AIA Tower, Singapore 048542

SUBSIDIARY OFFICES

SINGAPORE

Raffles Digital Infrastructure
8 Eu Tong Sen Street #13-84 The Central, Singapore 059818

CHINA

Raffles Chengdu Investments and Development
Sichuan Chengdu, Jinjiang District, Hongxing Road 3,
no. 1 International Finance Centre, Tower 1 Level 25 Unit 2509

Wuhan Raffles Technology
Wuhan Jianghan District Wangjiadun Central Business District,
Oceanwide International Building SOHO City, Tower 5, Room 1505

BANGLADESH

Raffles Infrastructure Development Bangladesh
Level 5/A, 366/7, Road 6, DOHS Baridhara,
Dhaka 1206 Bangladesh

MALAYSIA

Raffles Digital Infrastructure (Malaysia)
Suite A239, Level 23, Menara UOA Bangsar No 5, Jln Bangsar Utama 1,
59000 Kuala Lumpur Malaysia

INDONESIA

PT Raffles Digital Infrastructure Indonesia
Wisma Metropolitan I, Level 3A, Jalan Jenderal Sudirman Nomor Kaveling, 29,
Desa/Kelurahan Karet, Kec. Setiabudi, Kota Adm. Jakarta Selatan,
Provinsi DKI Jakarta, Kode Pos: 12920

SUSTAINABILITY REPORT

OUR BRAND

Vision

Its vision is to be a leading enterprise in Asia building world connections as an infrastructure developer through a stable and sustainable growth, which key factors would include innovation, cost efficiency and responsibility in health, safety and environmental matters.

Mission

Its mission is to operate with integrity, ensure quality deliverances to its clients and to maximise the returns of investments for all its shareholders. It has also committed to support all stakeholders in achieving economic and social prosperity, realizing these goals through various activities.

Core Values

Our core values of "Commitment to the highest quality", "Responsibility and Integrity", and "Collaboration and Teamwork" provide the foundation for sustainable performance that has helped us foster a collaborative working culture, deliver quality services, as well as maintaining open and transparent relations with our stakeholders.

SUSTAINABILITY REPORT

CORPORATE SOCIAL RESPONSIBILITY

The Group is committed to acting for community betterment. It has always been sensitive to the needs of society. We bear the social responsibility to serve and are devoted in being socially responsible corporate citizen.

The Group is committed to positively impacting the communities where our employees live and work. We believe that when we support our local communities worldwide, we support our employees, customers and other stakeholders. We aim to play a role in fostering healthier, actively, successful communities for all our stakeholders. Philanthropy and community involvement are a foundational part of our corporate culture and remain very important to our employees and their well-being.

Currently, The Group is focusing on digital solutions in Asia. We believe that in the next few years, we will be able to contribute more to the communities by bringing faster and more convenient digital solutions.

We will continue to uphold our commitment to community participation and seek more opportunities to give back to society through different channels in the forthcoming years.

STAKEHOLDER ENGAGEMENT

Effective communication and engagement with our key stakeholders are essential for us to reflect our business and reinforce our understanding of relevant and important matters to them. The Group values its stakeholders' feedback regarding its businesses and sustainability aspects.

To understand and address their key concerns, we have been maintaining close communication with our stakeholders that have direct and significant impacts on our business, and those who will be affected by our operations. We will continue to increase our involvement with stakeholders via constructive conversation to chart a course for long-term prosperity.

In formulating operational strategies and sustainability measures, the Group has set up regular interaction channels with our stakeholders. The table below showcases how we engage our respective stakeholders, their areas of interest and concerns, and how we address them through linkage with our material matters.

SUSTAINABILITY REPORT

According to our operation, we divided our stakeholders into two big groups:

Internal Stakeholders	External Stakeholders
Management Employees	Customer Supplier Shareholders and investors Local communities Government and Regulators Financiers

Stakeholders	Engagement Channels	Stakeholder Focus
Management & Employees	• Staff dialogue sessions • Training and development programs • Company event • Meetings • Remuneration and Recognition	• Fair employment practice • Recognition of efforts • Opportunities to learn and development
Customer	• Meetings • Email • Regular follow-up calls	• Excellent service • Economic growth
Supplier	• Meetings • Regular follow-up calls • Supplier survey and assessment	• Good relationship • Fair market practices • Timely payment • Business growth
Shareholders and investors	• Annual General • Company Announcement and circulars • Annual Report, e.g. financial statement and sustainability report;	• Financial Performance • Business conduct and transparency • Investment return
Communities	• Community Outreach	• Social responsibility • Environmental Responsibility
Government and Regulators	• Meeting; • Dialogue Sessions; • Emails	• Adherence to laws and regulations • Timely reporting of issues • Industry Leadership
Financiers	• Meetings and discussion; • Company announcements, e.g. circulars	• Business conduct and transparency • Financial Performance • Economic Growth

SUSTAINABILITY REPORT

MATERIAL TOPICS IDENTIFICATION

Our materiality assessment process enables us to ensure that our material matters reflect our sustainability impacts and address our stakeholders' concerns. We identified the material topics based on our key stakeholders' interests and the feedback we collected during our stakeholders' engagement survey in FY2019.

We continue to adhere to the GRI standards for conducting the materiality assessment of our operational impact analysis.

Identification

Key stakeholder groups were identified to ensure their interests and concerns are being reflected in the relevant material topics.

Prioritisation

Material sustainability matters were shortlisted and prioritised according to the importance of each matter to key stakeholders.

Validation

The material topics presented in the sustainability report endorsed and validated by Board of Directors and management.

Review

Re-examine the material topics and performance. Identify any further opportunities for improvements.

In FY2022, the Group reviewed the EESG material topics and found that they are still relevant to the Group's operation. Moving forward, the Group will continue to monitor these material matters to ensure that they remain relevant and material.

Based on our stakeholder's interests and the organization's business strategy, we have identified and revalidated the material EESG topics. For the reporting year of FY2022, in accordance with the GRI principles, the following material topics have been identified and presented below:

Material Topic	Stakeholder Group	FY2023 Target	Key initiative to be implemented	Relevant SDGs
Business Conduct	Management and employee Shareholder & Investors Government and Regulators Financier	Revenue growth. New business initiatives. To improve operation results. Prudent capital management.	The group adheres to the Socioeconomic laws and regulations. We conduct risk management and monitor the Group's operation to ensure our risks are being appropriately managed in time. Compliance with legislation as well as national and international standards of corporate governance, anti-corruption, risk management.	8 DECENT WORK AND ECONOMIC GROWTH

SUSTAINABILITY REPORT

Business Growth	Customer Employee Supplier Financier	Compliance with relevant social and economic laws and regulations. Commitment to release financial results on time. Continuous strengthening of the enterprise risk management framework.	Focus on financial strength and positive economic growth ensure good value generation and distribution.	8 DECENT WORK AND ECONOMIC GROWTH
Environmental Performance	Community Government & Regulators	Maintain zero cases of non-environmental compliance. Continual improvement in environmental performance and reduce the carbon emissions.	Adhere to the local and regional environmental regulations.	13 CLIMATE ACTION
Fair Employment/ Employee Relations	Employee	Commitment to retain worthy and high-performance staff. Improvise training programs and implement succession planning for key management positions. Non-discrimination in hiring employees of different age groups and ensuring gender equality at all times.	Ensure good staff welfare to improve the retention rate. Provide employees good compensation, rewards and remuneration. Provide good training opportunities for employees.	5 GENDER EQUALITY
Occupational Health and Safety	Employee	Maintain zero cases of workplace injuries and fatalities. Continual improvement in occupational health and safety management system.	Provide employees good work environment.	3 GOOD HEALTH AND WELL-BEING

SUSTAINABILITY REPORT

CORPORATE GOVERNANCE

Our comprehensive corporate governance structure shapes who we are and how the world sees us.

The Group embraces strong corporate governance to gain our stakeholders' trust and move toward long-term sustainability. We also believe that robust corporate governance can help deliver exceptional customer service and facilitate interaction with our stakeholders.

We advocate good corporate governance practice and strict compliance with laws and regulations, which are aimed at promoting better performance across different business segments of the Group. All employees shall comply with the rules and guidelines set out by the Company.

Being a listed company in the Singapore Stock Exchange, we ensure that we meet all the standards of corporate governance as stipulated in the listing rulebook. We strictly conform to the local and international best practices. Our corporate governance framework covers ethics and compliance through a Code of Conduct and action guidelines to be adhered to by the officers and employees across the organization. Every new employee shall be introduced to our Code of Conduct and our policies on ethics and compliances, which include anti-corruption, prevailing laws and regulations.

The results of both internal and external audits concluded yielded that there were no nonconformities regarding operations, systems or management responsibilities. All observations raised from the audit process were acted upon and closed at the end of FY2022.

Our Board oversees and monitors the Group's corporate governance standards and policies. A firm foundation for building financial integrity, organisational credibility and investor confidence is formed by a hybrid of an effective board and robust corporate governance practices.

For the scope of our corporate governance practices, please refer to our Annual Report 2022.

Our Governance Structure

Good corporate governance is integral to achieving sustainable, long-term value creation through our business, particularly in relation to the sustainability fundamentals relating to the economic, environmental, social and governance areas.

Raffles Infrastructure Holdings strives to uphold good corporate governance practices to maintain the trust of its stakeholders. The Group is developing a sound system of risk management and internal controls, and risk governance and internal control framework manual is being put in place by our Board to define the strategic objectives and determine the risk appetite, tolerance, and risk mitigation measures to address potential impediments.

To achieve sustainable business practices, executing the established framework of good corporate governance throughout the strategic and operational level is vital instead of merely embracing it as a guiding principle.

Board committees consisting of the Audit Committee, Nominating Committee, and Remuneration Committee were formed to support our Board in executing its responsibilities and ensuring good corporate governance. Each Committee reviews the appointments of independent external and internal auditors on top of the key management to enhance the Company's governance. New committees shall be formed according to the pipeline's relevant projects.

The Board holds formal meetings quarterly or convenes ad-hoc meetings when circumstances require. Where a physical board meeting is not possible, the Board would communicate through electronic means or via circulation of written resolutions for approval.

Corporate Sustainability Governance

The Board of Directors oversees the Company's sustainability performance. Provides strategic direction and specifically considers sustainability issues as part of our strategic formulation. The senior management work together with Board of Directors to determine material EESG topics and ensure that they are monitored and managed.

The senior management in the Company also assists the Board in fulfilling its responsibilities for the Group's sustainability initiatives, gather feedback, review them and report it.

GRI Disclosure
2-12 Role of the highest governance body
2-13 Delegation of responsibility for managing impacts
2-14 Role of the highest governance body in sustainability reporting

SUSTAINABILITY REPORT

Diversity and Inclusion

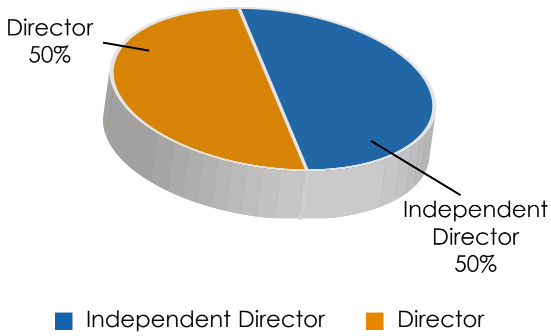
The Board recognizes the importance and benefits of having members with diverse skills, experience, knowledge, gender, age, tenure, nationality, background and perspective to enhance its overall effectiveness.

The Board considers these diversity factors in reviewing its composition and assessing candidates for appointments to the Board.

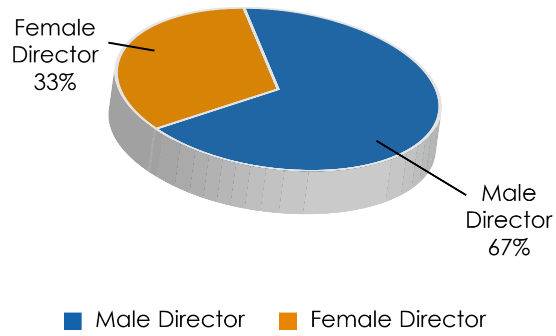
The purpose of the Board Diversity Policy is to have an effective and diverse Board to support the Company's and its subsidiaries' long-term success.

The Board evaluates the implementation of the Policy annually and such assessment is reported in the Corporate Governance section of the Company's Annual Report.

Director vs. Independent Director



Board Directors in Gender



Board of Directors	
Independent Director	3
Director	3

Board Directors by Gender	
Male Director	4
Female Director	2

GRI Disclosure
405-1Diversity of governance bodies and employees

Contributed SDGs

SUSTAINABILITY REPORT

BUSINESS CONDUCT

Business Ethics and Integrity

In Raffles Infrastructure Holdings, we are committed to building up a culture where we operate our business responsibly. We remain dedicated to upholding our business ethics and integrity to the highest level, enforcing a system where there is zero tolerance for fraud, corruption and unethical actions.

Our Business Conduct and Ethics are built on our commitment to ethical business conduct and regulatory compliance.

We ensure that all our business units comply with the relevant laws and regulations to address EESG issues, including environmental and social regulations, personal data security, employment rights and regulations, and income tax laws.

Any material violation of rules and regulations could significantly impact the Group and its reputation. In view of this, the Group adheres to high corporate governance standards and ensures compliance with all applicable rules and regulations.

Whistleblowing Policy

Raffles Infrastructure Holdings has put in place a policy where members of the Board of the Company and employees of the Company may in confidence, raise concerns or report about possible or actual corporate improprieties in matters of financial reporting or event(s) of illegal, unethical or inappropriate behaviours or practices they encounter.

The Company is to ensure arrangements for independent investigations of such matters and appropriate follow-up actions. Any person (the "**Whistleblower**") who wishes to raise such concerns or report such matters to the Company may do so in confidence by way of email to whistle-blowing.report@rafflesinfrastructure.com.

Conflict of Interest

All our employees are required to declare any conflict or potential conflict of interest, whether direct or indirect, in relation to any transactions or proposed transactions with the Group as soon as practicable after the relevant facts have come to his/her knowledge.

The Group's conflict of interest policy is reviewed periodically and communicated to all employees.

Communication of Critical Concerns

The Group is committed to creating long-term value for all its stakeholders and will continue to maintain ongoing communication and engagement with its stakeholders. Details of this communication and engagement are set out in the section on "Shareholders Rights and Engagements" of the Corporate Governance Report on pages 53 to 55 of our Annual Report 2022.

GRI Disclosure
2-15 Conflicts of interest
2-16 Communication of critical concerns

SUSTAINABILITY REPORT

REGULATORY AND LEGAL COMPLIANCE

Raffles Infrastructure Holdings is committed to complying with relevant laws and regulations and conducting business with integrity, fairness, impartiality, ethically and adequately.

We monitor our existing customers and vendors periodically. This ensures that we stay vigilant and remain up to date with the latest international sanctions.

Our compliance guidelines and policy requirements are aligned with industry standards and requirements. Also, we focus on our community responsibilities as corporate citizens. We take these responsibilities very seriously, including paying our fair share of corporate income taxes and social contributions. Our commitment to these responsibilities is also embodied in our corporate culture. Tax payments to the relevant authorities are in accordance with applicable anti-corruption laws and regulations, rules and regulations.

We are pleased to report that there was no reported non-compliance to the local anti-corruption laws, rules and regulations across the Group in FY2022. We aim to maintain zero violation of the laws, rules and regulations for FY2023 and beyond.

GRI Disclosure
2-27 Compliance with laws and regulations

SUSTAINABILITY REPORT

ECONOMIC PERFORMANCE

Positive economic growth is the cornerstone of our business. The Group strives to enhance its financial performance through a sound financial management approach and seeks opportunities for business growth.

The Group sees economic performance as a material factor as we believe our business' economic viability is important to our stakeholders. This can be achieved by delivering a solid and sustained economic performance that positively impacts all stakeholders. Ongoing efforts have been contributed to our high-quality products and innovative projects to ensure increasing returns for our shareholders and investors annually.

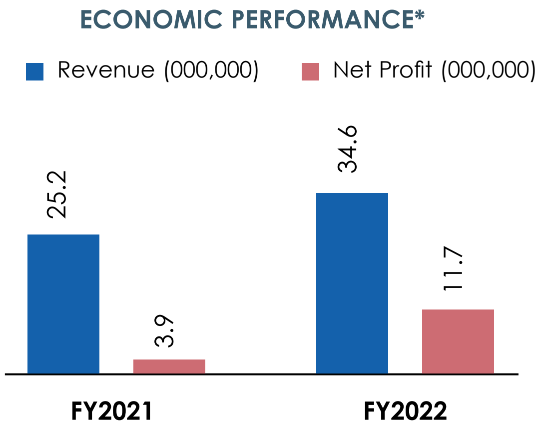
Population growth statistics paint a rosy future for the infrastructure industry. The demand for infrastructure has never been greater. Construction is already one of the largest industry sectors worldwide, but focusing on this strong demand obscures a more precarious reality. Underlying project profitability, performance, labour, and sustainability challenges could derail the industry's growth.

The unprecedented COVID-19 pandemic has disrupted global supply chains and resulted in a highly uncertain business environment. While many countries have gradually loosened their containment measures and pockets of demand, the situation is still evolving. The Group also remains cautious and will continue to exercise cost discipline and be vigilant in responding to changes.

The Group will also continue to step up its efforts to improve its operational efficiency and cost control and prepare it for future opportunities.

Maintaining the quality of services rendered remain as one of the key fundamentals in our business. We emphasise quality control to ensure consistent standards that meet our customers' requirements to secure long-term relationships and ensure sustainable development for our business growth.

FY2022 Performance Results



The Group recorded revenue of RMB34.6 million for FY2022. More details about the Group's economic performance and data can be obtained from the financial statements on pages 66 to 127 of our Annual Report 2022.

FY2023 Targets

To continually improve our business model to enhance stakeholders' value

GRI Disclosure
201-1 Direct Economic value generated and distributed

Contributed SDGs

SUSTAINABILITY REPORT

ENVIRONMENTAL PERFORMANCE

Raffles Infrastructure Holdings strives to reduce our environmental footprint by reducing unnecessary business travel, utilising the best use of office supplies, reducing reliance on papers, and recycling as much as possible.

We adopted the "3R" approach in our daily working practice to play our roles in saving the planet.

Reduce - Only use what is needed;
Reuse - Re-use things for the same or new purpose;
Recycle - Convert the waste into useful products;

<u>FY2022 Performance</u>

We are pleased to announce no reported non-compliance with environmental laws and regulations for FY2022.

<u>FY2023 Target</u>

In FY2023, we strive to ensure zero incidents of non-compliance with environmental laws and regulations.

GRI Disclosure
2-27 Compliance with laws and regulations

Contributed SDGs

SUSTAINABILITY REPORT

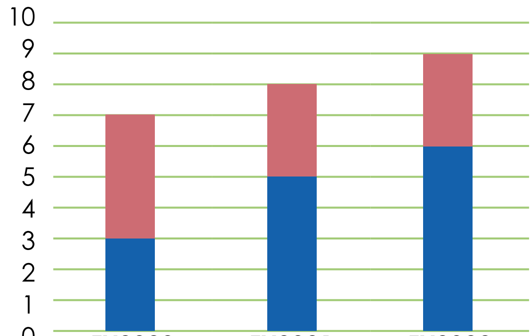
OUR WORKFORCE

The Group follows the respective local employment regulations in providing employee employment packages, benefits, insurance coverage and annual leave.

Meanwhile, we also encourage work-life balance working hours to ensure every employee's well-being is being taken care of.

In FY2022, the Group has 20 employees under its employment in Singapore, China and South East Asia regions.

Key Management FY2020-FY2022



	FY2020	FY2021	FY2022
FEMALE	4	3	3
MALE	3	5	6

GRI Disclosure
2-7 Employees

Contributed SDGs

5 GENDER EQUALITY

OCCUPATIONAL HEALTH AND SAFETY

We take pride in our services delivered. We aim to minimise our activities' impact on the environment, quality and safety and proactively seek alternative means for more effective and sustainable use of resources and promote a safe working environment.

The Group believes that environmentally-friendly practices complement business efficiency and advocate corporate social responsibility towards the environment by incorporating these processes into its daily operations. The Group strictly complies with related environmental regulations and has adopted and incorporated various environmental measures and procedures in its daily operations to demonstrate its commitment to being a socially responsible corporation.

The Group remains strongly committed to our customers. We have been providing competent professionals and expertise to execute our operations safely. We believe a systematic Occupational Health & Safety ("**OHS**") system will help uphold the company's brand reputation with our employees and customers.

The onset of the global pandemic has placed health and safety in the workplace as a central concern for all businesses. As an employer, we recognise that we have a responsibility to provide a safe and healthy environment for all our employees. Whether it is through implementing safe distancing measures in the office, we have taken every step to ensure that our employees are protected from the risks of the virus.

SUSTAINABILITY REPORT

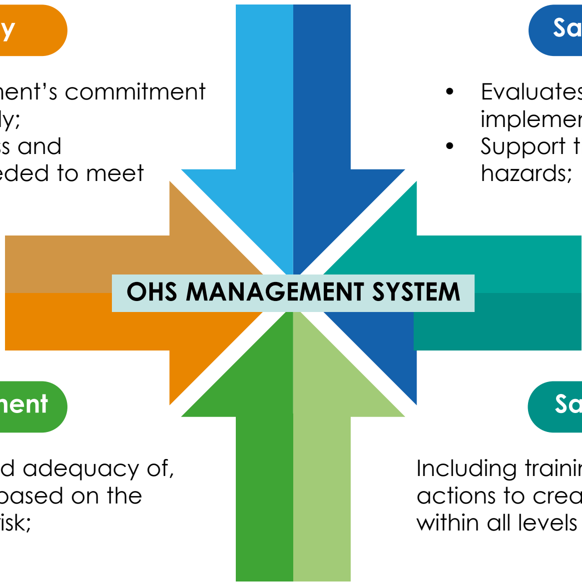
Our Key Principles in Occupational Health and Safety Management

Safety Policy

- Establishes senior management's commitment to improve safety continually;
- Define the methods, process and organizational structure needed to meet safety goals;

Safety Assurance

- Evaluates the continued effectiveness of implemental risk control strategies;
- Support the identification of new hazards;



Risk Management

Determines the need for and adequacy of, new or revised risk controls based on the assessment of acceptable risk;

Safety Promotion

Including training, communication and other actions to create a positive safety culture within all levels of the workplace;

Our Group mission is to adopt and implement the above quality and safety mission and promote environmentally green solutions in our business. We expect our business partners and service providers to commit and adhere to the same standards.

FY2022 Performance

We have no fatal accident report in FY2022, and we have also implemented systematic cuts to paper usage and waste volumes and promoted proactive environmental communication, within and outside the Group.

FY2023 Target

Promote safety and quality management policy.

Promote environmentally friendly working place by creating awareness on caring for a Green & Healthy Environment via advocating messages on email signatories of staff to remind them to print when necessary.

GRI Disclosure
403-1 Occupational health and safety management system

Contributed SDGs

SUSTAINABILITY REPORT

GLOBAL INITIATIVE INDEX ("GRI") CONTENT INDEX

Statement of Use
Raffles Infrastructure Holdings Limited has reported the information cited in this GRI content index for the period FY2022 (1 July 2021-30 June 2022) with reference to the GRI Standards.

GRI 1 Used
GRI 1 Foundation 2021

GRI Standard	Disclosure	Location
2-1	Organizational details	Page 15,18-20
2-2	Entities included in the organization's sustainability reporting	Page 17,20
2-3	Reporting period, frequency and contact point	Page 17
2-5	External assurance	N.A.
2-6	Activities, value chain and other business relationships	Page 18,19
2-7	Employees	Page 19,32
2-9	Governance structure and composition	Page 26
2-10	Nomination and selection of the highest governance body	Page 26
2-11	Chair of the highest governance body	Page 26
2-12	Role of the highest governance body in overseeing the management of impacts	Page 26
2-13	Delegation of responsibility for managing impacts	Page 26
2-14	Role of the highest governance body in sustainability reporting	Page 26
2-15	Conflicts of interest	Page 28
2-16	Communication of critical concerns	Page 28
2-22	Statement on sustainable development strategy	Page 21,22
2-24	Embedding policy commitments	Page 21
2-26	Mechanisms for seeking advice and raising concerns	Page 17
2-27	Compliance with laws and regulations	Page 29
2-29	Approach to stakeholder engagement	Page 22,23
3-1	Process to determine material topics	Page 24
3-2	List of material topics	Page 24,25
3-3	Management of material topics	Page 24,25
201-1	Direct economic value generated and distributed	Page 30
205-2	Communication and training about anti-corruption policies and procedures	Page 28
205-3	Confirmed incidents of corruption and actions taken	Page 29
403-1	Occupational health and safety management system	Page 32,33
403-9	Work-related injuries	Page 32,33
403-10	Work-related ill health	Page 32,33
405-1	Diversity of governance bodies and employees	Page 27

CORPORATE GOVERNANCE REPORT

Raffles Infrastructure Holdings Limited (the "**Company**") recognises the importance of good corporate governance and the offering of high standards of accountability to shareholders.

This report sets out the Company's corporate governance framework and practices in compliance with the principles and guidelines of the Code of Corporate Governance 2018 (the "**Code**"). Where there have been deviations from the Code, appropriate explanations are provided. The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time, to ensure compliance with the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

Statement of Compliance

The Board confirms that, for the financial year ended 30 June 2022 ("**FY2022**"), the Company has adhered to the principles and guidelines set out in the Code save as otherwise highlighted in the report in relation to certain provisions of the Code.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the company.

Provision 1.1

The Board assumes responsibility for stewardship of the Company as well as its subsidiaries. Its primary role is to protect and enhance long-term shareholders' value and hold management accountable for performance. Apart from its fiduciary duties, the Board provides strategic guidance for the Group and supervises executive management. The Board sets the tone for the Group in respect of ethics, values and desired organizational culture and ensures proper accountability within the Group. The Board also establishes policies on matters such as financial control, financial performance and risk management procedures and establishes goals for Management and monitors the achievement of these goals, thereby taking responsibility for the overall corporate governance of the Group. All directors make decisions objectively in the best interests of the Company and have exercised due diligence and independent judgment in so doing. Any Director who faces a conflict of interest or a possible conflict of interest, in relation to matter, must promptly declare his interest at a meeting of Directors or send a written notice to the Company containing details of his interest and the conflict and recuses himself from discussions and decisions on the matter.

Provision 1.2

A formal letter setting out the Directors' duties and responsibilities under various regulations is issued to new Directors upon their appointment. Newly appointed Directors will be briefed by the Management on the business activities of the Group, governance policies, the regulatory environment in which the Group operates and governance practices, key business risks, policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information. Any newly-appointed Director who has no prior experience as a Director of a listed company will undergo training in the roles and responsibilities of a listed company Director.

The following directors were newly appointed during FY2022:

1. Ms. Chen Meiyun, Agnes ("**Ms. Chen**") was appointed on 26 January 2022 as an Independent Director of the Company. Ms. Chen has undertaken the mandatory training as required under Rule 210(5)(a) of the Listing Manual.

CORPORATE GOVERNANCE REPORT

2. Mr. Ryan Chiu Tzong Min ("**Mr. Chiu**") was appointed on 26 January 2022 as an Executive Director of the Company. Mr. Chiu has undertaken the mandatory training as required under Rule 210(5)(a) of the Listing Manual.

3. Ms. Yuanita Tjia ("**Ms. Tjia**") was appointed on 13 December 2021 as the Non-Executive Non-Independent Director of the Company. Ms. Tjia has undertaken the mandatory training as required under Rule 210(5)(a) of the Listing Manual.

4. Mr. Chay Yiowmin ("**Mr. Chay**") was appointed on 13 December 2021 as an Independent Director of the Company. Mr. Chay has prior experience as a Director of a listed company.

The Directors are provided with regular updates on relevant new laws and regulations, and evolving commercial risks and business conditions from the Company's relevant advisors. The Directors are also encouraged to keep themselves abreast of the latest developments relevant to the Group and attendance of appropriate courses and seminars will be arranged and funded by the Company. The external auditors update the Audit Committee and management on the new or revised financial reporting standards on an annual basis.

<u>Provision 1.3</u>

The Board has adopted internal guidelines setting forth matters that require Board's approval. Matters which are specifically reserved to the Board which requires the Board's approval are those involving a conflict of interest of a substantial shareholder or a Director, material acquisitions, disposal of assets, operating budgets and capital expenditure, corporate or financial restructuring, shares issuance, declaration of dividends and other returns to shareholders and matters which require Board's approval as specified under the Company's internal control policies, for example, the Interested Person Transaction ("**IPT**") policy.

<u>Provision 1.4</u>

To assist in the execution of its responsibilities, the Board has established several board committees namely, an Audit Committee ("**AC**"), a Nominating Committee ("**NC**") and a Remuneration Committee ("**RC**") (collectively, "**Board Committees**"). These Board Committees function within clearly defined terms of reference, which are reviewed on a regular basis. The names of the committee members, the terms of reference, any delegation of the Board's authority to make decisions and a summary of each committee's activities, are disclosed in this Annual Report.

<u>Provision 1.5</u>

The Board meets on a regular basis and as and when necessary to address any specific significant matters that may arise. The Board and its committees may also decide on matters by way of circular resolutions. The frequency of meetings and attendance of each Director at every Board and Board Committee meeting are disclosed in this report. The Bye-laws of the Company allow for participation in Board meetings via audio or video conferencing.

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his knowledge. Where a Director has multiple board representations, and in considering the nomination of Directors for appointment, the Nominating Committee ("**NC**") will evaluate whether or not the Director is able and has been adequately carrying out his duties as a Director, as well as sufficient time and attention are given to the affairs of the Company, taking into consideration the Director's number of listed company board representations and other principal commitments.

CORPORATE GOVERNANCE REPORT

The number of Board, Board Committee and General Meetings held in FY2022 and each Director's attendances at such meetings are set out below:

	Board	AC	NC	RC	AGM
No. of meetings held	4	4	1	1	1
No. of meetings attended by respective Directors					
Executive Directors:					
Mr. Ryan Chiu Tzong Min[(1)]	2	2^	N.A.	N.A.	N.A.
Mr. Eric Choo Han Kiat[(2)]	2	2^	1^	1^	1
Mr. Ma Zhi[(3)]	1	0^	0^	0^	1
Non-Executive Non-Independent Director:					
Ms. Yuanita Tjia[(4)]	2	2	N.A.	N.A.	N.A.
Mr. Li Jia Chen	0	0^	0^	0^	1
Independent Directors:					
Mr. Wong Ann Chai (Chairman)	4	4	1	1	1
Mr. Chay Yiowmin[(5)]	2	2	N.A.	N.A.	N.A.
Ms. Chen Meiyun, Agnes[(6)]	2	2^	N.A.	N.A.	N.A.
Mr. Leow Yong Kin[(7)]	2	2	1	1	1
Mr. Toh Tiong San[(8)]	2	2	1	1	1

Notes:

^ By invitation
N.A. Not applicable as the Director was not appointed at the date of the relevant meeting
(1) Mr. Ryan Chiu Tzong Min was appointed as the Deputy Chief Executive Officer of the Company on 13 December 2021 and as an Executive Director on 26 January 2022
(2) Mr. Eric Choo Han Kiat resigned as the Executive Director and Chief Executive Officer of the Company on 31 January 2022
(3) Mr. Ma Zhi ceased to be an Executive Director of the Company with effect from 28 June 2022
(4) Ms. Yuanita Tjia was appointed as a Non-Executive Non-Independent Director on 13 December 2021 and as a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nominating Committee with effect from 4 January 2022
(5) Mr. Chay Yiowmin was appointed as an Independent Director on 13 December 2021 and as the Lead Independent Director of the Company, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee with effect from 4 January 2022
(6) Ms. Chen Meiyun, Agnes was appointed as an Independent Director on 26 January 2022 and as the Chairman of the Remuneration Committee with effect from 26 January 2022
(7) Mr. Leow Yong Kin resigned as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee on 12 January 2022
(8) Mr. Toh Tiong San resigned as an Independent Director, Chairman of Remuneration Committee and a member of Audit Committee and Nominating Committee on 26 January 2022

CORPORATE GOVERNANCE REPORT

Provision 1.6

To keep pace with regulatory changes, the Director's own initiatives are supplemented from time-to-time with information, updates and sponsored seminars conducted by external professionals, including any changes in legislation and financial reporting standards, government policies, and regulations and guidelines from SGX-ST that affect the Company and/or the Directors in discharging their duties. The Directors are informed of developments relevant to the Group, including changes in laws, regulations and risks that may impact the Group. Directors can apply to the Company for funding for any such courses, conferences and seminars which they may apply to attend. Directors are at liberty to request further explanations, briefings or informal discussions on any aspect of the Group's operations or business issues from management.

As a general rule, notices are sent to the Directors at least one week in advance of Board and Board Committees meetings, followed by the Board papers, in order for the Directors to be adequately prepared for the meetings.

For FY2022, the Directors have been updated with the mandate on SGX-ST sustainability reporting rules that require all board directors of equity issuers listed on the exchange to undergo sustainability training.

Provision 1.7

The Board has a separate and independent access to the Senior Management and the Company Secretary and is informed of material events and transactions as and when they occur. Directors are entitled to request from Management and would under normal circumstances be provided, in a timely manner, with such additional information as needed to make informed decisions. The Company Secretary coordinates, attends and prepares minutes of board meetings and advises on relevant rules and regulations as well as corporate governance practices.

If the Directors, whether individually or as a group, in furtherance of their duties, need independent professional advice, the Company will, upon the direction of the Board, appoint a professional adviser to render such advice at the Company's expense.

The appointment and removal of the Company Secretary is a decision of the Board as a whole.

BOARD COMPOSITION AND GUIDANCE

Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the company.

Provisions 2.1, 2.2 and 2.3

The Board currently comprises 6 Directors, majority of whom are Non-Executive Directors. The Directors of the Company as at the date of this report are:

Mr. Wong Ann Chai	(Non-Executive Independent Chairman)
Mr. Chay Yiowmin	(Non-Executive Lead Independent Director)
Ms. Chen Meiyun, Agnes	(Non-Executive Independent Director)
Ms. Yuanita Tjia	(Non-Executive Non-Independent Director)
Mr. Li Jia Chen	(Non-Executive Non-Independent Director)
Mr. Ryan Chiu Tzong Min	(Executive Director)

CORPORATE GOVERNANCE REPORT

There is presently a strong independent element on the Board and independence of each Director is reviewed by the NC. The NC adopts the definition in the Code as to what constitutes an Independent Director in its review. The NC considers an "Independent" Director to be one who is independent in conduct, character and judgement, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company. The Board, taking into account the NC's views, considers each of the abovenamed Independent Directors to be independent. The Company does not have any Independent Director who has served on the Board beyond nine years from the date of his/her first appointment.

Provision 2.4

The NC will, at least once every year, review and thereafter, make recommendations to the Board regarding the Board structure, size, composition and core competencies.

The Board considers that the present board size and number of committees facilitate effective decision-making and are appropriate for the nature and scope of the Company's operations. The NC is of the view that no individual or small group of individuals dominates the Board's decision-making process. The Board will continue reviewing the size and composition of the Board and the independent status of its directors on an ongoing basis.

The Directors appointed are qualified professionals who, as a group, possess a diverse range of experience to provide core competencies such as accounting, finance, business, management experience, industry knowledge and strategic planning experience.

The Board adopted a Board Diversity Policy which recognises the importance of having an effective and diverse Board. The main objective of the policy is to have the appropriate balance of skills, experience, knowledge and other aspects of diversity (e.g. gender, age and nationality) on the Board to support the long-term success of the Group. Under the policy, the NC is responsible for recommending to the Board the relevant practices to promote and achieve diversity on the Board. The Board is making progress on the implementation of the Board Diversity Policy. For instance, the Board is placing more emphasis on diversity when identifying persons for appointment to the Board.

Profiles of the Directors are set out in "Board of Directors" section of this Annual Report.

Provision 2.5

Where necessary or appropriate and at least once a year, the Non-Executive Directors and Independent Directors, led by the Lead Independent Director, will meet without the presence of the Management. The Non-Executive Directors and Independent Directors communicate regularly to discuss matters related to the Group, including the performance of the Management.

The Non-Executive Directors met without the presence of the management once during FY2022.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1, 3.2 and 3.3

The positions of Non-Executive Chairman and Deputy Chief Executive Officer are held by separate individuals to ensure appropriate balance of power, increased accountability and greater capacity of the Board for objective decision-making.

CORPORATE GOVERNANCE REPORT

Mr. Wong Ann Chai is the Non-Executive Chairman and oversees the overall strategic directions and expansion plans for the growth and development of the Group. With the assistance of the Company Secretary, he also ensures that Board Meetings are held as and when required, sets agenda for the Board Meetings and ensures the quality, quantity and timeliness of the flow of information between the Management, the Board and the stakeholders.

Mr. Ryan Chiu Tzong Min is the Deputy Chief Executive Officer ("**Deputy CEO**") of the Company whose functions include the overall management, strategic direction and the day-to-day operations of the Group, and for ensuring that the organisational objectives of the Group were achieved. He also ensures the Company maintains high standards of corporate governance and social responsibility wherever it does business and integrity of all its public disclosures.

Mr. Chay Yiowmin, the Lead Independent Director of the Company, is available to shareholders where they have concerns and for which contact through the normal channels of communication with the Chairman or Management are inappropriate or inadequate.

As such, the Board believes that there are adequate safeguards and checks in place to ensure that the process of decision-making by the Board is independent and based on collective decision-making without any individual being able to exercise considerable concentration of power or influence.

BOARD MEMBERSHIP

Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills to enable the Board to make effective decisions collectively.

The primary function of the NC is to determine the criteria for identifying candidates and to review nominations for the appointment of Directors to the Board, to consider how the Board's performance may be evaluated.

The NC's duties and functions are outlined as follows:

1. review the succession plans for Directors, in particular, the appointment and/or replacement of the Chairman, the CEO and Key Management Personnel;

2. review and make recommendations to the Board on all candidates nominated (whether by the Board, shareholders or otherwise) for appointment to the Board, taking into account the candidate's track record, age, experience, capabilities and other relevant factors;

3. identify and make recommendations to the Board as to the Directors who are to retire by rotation and to be put forward for re-election at each Annual General Meeting of the Company, having regard to the Directors' contribution and performance (such as their attendance, preparedness, participation and candour), including, if applicable, as Independent Directors;

4. determine annually whether or not a Director is independent, in accordance with the guidelines contained in the Code and other salient factors;

5. to review whether a Director is able to and has adequately carried out his duties as a Director of the Company in particular where the Director concerned has multiple board representations;

CORPORATE GOVERNANCE REPORT

6. to consider how the Board's performance may be evaluated and to propose for the Board's approval, objective performance criteria (that allows comparison with the Company's industry peers) to evaluate the effectiveness of the Board as a whole and the contribution by each Director to the effectiveness of the Board; and

7. to review the training and professional development programmes for the Board and its Directors.

Provision 4.2

The NC comprises three members, majority of whom, including the chairman, are independent. The members of the NC are as follows:

Mr. Wong Ann Chai	(Chairman - Non-Executive Independent Chairman)
Mr. Chay Yiowmin	(Member - Non-Executive Lead Independent Director)
Ms. Yuanita Tjia	(Member - Non-Executive Non-Independent Director)

Provision 4.3

The NC may identify candidates for appointment as new Directors through the business network of Board members or through external independent professional advisors to assist in the search for suitable candidates. The NC will generally identify suitable candidates skilled in core competencies such as strategic planning, accounting or finance, business or management expertise. Board appointments are made by way of a board resolution after the NC has, upon reviewing the resume of the proposed Director(s), conducting interviews and having regard to the Board Diversity Policy, recommended the proposed appointment(s) to the Board.

Provision 4.4

The NC conducts an annual review of Directors' independence based on the definition of independence set out in the Code. Each Independent Director is required to complete a checklist annually to confirm his independence based on the guidelines as set out in the Code. The NC is of the view that Mr. Wong Ann Chai, Mr. Chay Yiowmin and Ms. Chen Meiyun, Agnes have satisfied the criteria for independence.

The NC considered the performance and contribution of each of the retiring Directors, having regard not only to their attendance and participation at Board and Board Committee meetings but also the time and effort devoted to the Group's business and affairs.

In accordance with the Bye-laws of the Company, each Director shall retire at least once every three (3) years and all Directors appointed by the Board will have to retire at the Annual General Meeting ("**AGM**") following their appointments (such Director shall then be eligible for re-election at that AGM).

Pursuant to Bye-Law 85(6) of the Company's Bye-Laws, the following directors will be retiring at the upcoming the AGM and have consented to seeking for re-election at the upcoming AGM:

1. Mr. Chay Yiowmin
2. Ms. Yuanita Tjia
3. Mr. Ryan Chiu Tzong Min
4. Ms. Chen Meiyun, Agnes

CORPORATE GOVERNANCE REPORT

In making the recommendations, the NC had considered the Directors' overall contributions and performance. The Board recommends to the shareholders to approve the re-election of the aforesaid Directors. The details of the proposed resolutions are stipulated in the Notice of AGM. The additional information on directors seeking re-election and/or continued re-appointment as independent directors are set out on pages 137 to 150 of this Annual Report.

The Independent Directors have confirmed that they do not have any relationship (including immediate family relationships) with other Directors, the Company, its related corporations, or its substantial shareholders.

Provision 4.5

The NC ensures that new Directors are aware of their duties and obligations. The Company has a policy to require that a Director should not hold more than five (5) listed company board representations. During the financial year under review, the NC has ascertained that all Directors, including those who have multiple board representations, have devoted sufficient time and attention to the Group's affairs and have discharged their duties and responsibilities adequately.

The list of current directorships in other listed companies held by the respective Directors are set out in the table below:

Director	Current directorships in other listed companies	Principal commitments
Mr. Wong Ann Chai	Nil	Nanosun Pte. Ltd.
Mr. Chay Yiowmin	1. UMS Holdings Limited 2. 8I Holdings Limited 3. Metech International Limited 4. Watches.com Limited	Chay Corporate Advisory Pte. Ltd.
Ms. Chen Meiyun, Agnes	Nil	1. Adicio Pte Ltd 2. Auverve Pte. Limited 3. Blueshift Labs Singapore Pte. Ltd. 4. Cfa Institute Singapore Private Limited 5. Corporation Service Company (Singapore) Pte. Ltd. 6. Csc Asia Services (Hong Kong) Limited 7. Csc Directors 1 (Hk) Limited 8. Csc Directors 2 (Hk) Limited 9. Csc Gfm Asia Services (Hongkong) Pte Limited 10. Csc International Trading (Shanghai) Company Limited 11. Csc Management Consulting (Shanghai) Company Limited 12. Csc Secretarial Limited 13. Csc Tax Services Limited 14. Cscgfm Asia Services (Singapore) Pte. Ltd. 15. Cscgfm Corporate Services (Singapore) Pte. Ltd. 16. Euro Core Private Limited 17. Fact Asia Consultants Pte. Ltd.

CORPORATE GOVERNANCE REPORT

Director	Current directorships in other listed companies	Principal commitments
		18. First Dutch Investment Company Pte. Ltd. 19. Firstcorp Global Pte. Ltd. 20. Firstcorp International Pte. Ltd. 21. Firstcorp Pte. Ltd. 22. Fractal Private Limited 23. Goindustry Dovebid (S) Pte. Ltd. 24. Heritage Investment Capital Pte. Ltd. 25. In-Situ Monitoring Asia Pte. Ltd. 26. Kyocera Avx Components (Singapore) Pte. Ltd. 27. Kyocera Avx Components Pte. Ltd. 28. Nei Apac Pte. Ltd. 29. New Energy Nexus Asia Pte. Ltd. 30. New Energy Nexus Ventures Pte. Ltd. 31. Noord Holdings Pte. Ltd. 32. Nu Global Pte. Limited 33. Red Ventures Interactive Pte. Ltd. 34. Shaw Industries Asia Pte. Ltd. 35. Snagr Private Limited 36. Starlims Systems Pte. Ltd. 37. Wlb Asset Ii B Pte. Ltd. 38. Wlb Asset Ii C Pte. Ltd. 39. Wlb Asset Ii D Pte. Ltd. 40. Zuyd Holdings Pte. Ltd.
Ms. Yuanita Tjia	Nil	1. Cap 1 Financial Pte. Ltd. 2. Belt and Road Investment Management Advisory Pte. Ltd. 3. Luminious Dental Holdings Group Pte. Ltd.
Mr. Li Jia Chen	Nil	China Capital Investment Group
Mr. Ryan Chiu Tzong Min	Nil	1. Raffles Digital Infrastructure Pte. Ltd. 2. Raffles Infrastructure Development Holdings Pte. Ltd.

Currently, the Board does not have any alternate Directors.

CORPORATE GOVERNANCE REPORT

BOARD PERFORMANCE

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provisions 5.1 and 5.2

The Board has implemented a formal process for assessing the effectiveness of the Board as a whole. Each Board member is required to complete a Board performance evaluation form adopted by the NC on a yearly basis. The Chairman of the NC will then prepare a consolidated report and present the same to the Board for discussion on the changes or actions to be taken in order for the Board to discharge its duties more effectively. The performance criteria for the Board evaluation are in respect of Board size, composition and independence, conduct of meetings, Board procedures, Board accountability, corporate strategy and planning, risk management and internal control. Assessment results are analysed and key areas for follow-up actions are highlighted and discussed at the Board meeting.

The Board has taken the view that the financial indicators, may not be appropriate as these are more of a measurement of Management's performance and therefore less applicable to Directors.

The NC has also reviewed the contribution by each Individual Director to the effectiveness of the Board as a whole and to its Board Committees in FY2022 and is satisfied that sufficient time and attention has been given by the Directors to the affairs of the Group.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provisions 6.1 and 6.2

The RC comprises four members, majority of whom, including the Chairman, are independent. The members of the RC are as follows:

Ms. Chen Meiyun, Agnes	(Chairman - Non-Executive Independent Director)
Mr. Wong Ann Chai	(Member - Non-Executive Independent Chairman)
Mr. Chay Yiowmin	(Member - Non-Executive Lead Independent Director)
Ms. Yuanita Tjia	(Member - Non-Executive Non-Independent Director)

The RC is responsible for ensuring a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual Directors and Senior Management. The RC's review will cover all aspects of remuneration including but not limited to Directors' fees, salaries, allowances, bonuses, share options and benefits-in-kind and termination terms to ensure they are fair. In structuring a compensation framework for executive Directors and Key Executives, the RC seeks to link a proportion of executive compensation to the Group's performance. The RC's recommendations are made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.

CORPORATE GOVERNANCE REPORT

Provision 6.3

In carrying out its duties, the RC considers all aspects of remuneration, including termination terms, to ensure they are fair. No Director or member of the RC is involved in deciding his or her own remuneration.

The recommendations for approval of the remuneration of the Executive Directors are forwarded to the Board. The RC also reviews and approves the remuneration of senior management. Directors' fees are recommended by the RC and are submitted for endorsement by the Board. Directors' fees are subjected to approval by shareholders at the AGM.

The RC meets at least once a year to discuss the performance assessment of the Executive Directors as well as to discuss the level of emoluments to pay.

Provision 6.4

The RC has full authority to engage external professional to advise on remuneration matters as and when the need arises. The expenses of such services shall be borne by the Company. No remuneration consultants were engaged by the Company in FY2022.

LEVEL AND MIX OF REMUNERATION

Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company

Provision 7.1 and 7.3

The remuneration policy of the Company is to provide compensation packages at market rates which reward successful performance and attract, retain and motivate Directors and Senior Management.

In setting the remuneration packages of the Executive Directors and key management personnel, the RC takes into consideration their responsibilities, effort, time spent, skills, expertise and contribution, industry practices and norms in compensation.

In reviewing the remuneration packages of the Executive Directors, the RC takes into account the respective performance of the Group and the individual. In its deliberation, the RC takes into consideration, remuneration packages and employment conditions within the industry and benchmarked against comparable companies. The RC ensures the level and structure of remuneration of the key management personnel aligned with the long-term interest and risk policies of the Company as well as attract, retain and motivate them to provide good stewardship and management the operations to the meet the desired objectives of the Company.

The Executive Directors do not receive Director's fees. The remuneration packages of Executive Directors and Key Senior Management are based on their service contracts and are determined by the performance of the individuals, as well as the Group and industry benchmark. The remuneration packages for the Executive Directors and staff are made up of both fixed and variable components. The variable components are determined based on the performance of the individual employees as well as the Group's performance. The service contract for the Deputy CEO is a fixed appointment period and can be terminated by either party, giving not less than three (3) months' notice in writing.

CORPORATE GOVERNANCE REPORT

Provision 7.2

Non-executive and Independent Directors are paid Directors' fees of an agreed amount, taking into account factors such as effort and time spent, their contributions, and the respective responsibilities of the Directors. Directors' fees are recommended by the Board for shareholders' approval at the Company's AGMs.

DISCLOSURE OF REMUNERATION

Principle 8: The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

The breakdown of the total remuneration of the Directors for FY2022 is set out below:

Name of Directors	Directors' Fees S$'000	Salary S$'000	Bonus S$'000	Share-based incentives and awards S$'000	Other benefits S$'000	Total S$'000
Non-Executive Non-Independent Directors:						
Ms. Yuanita Tjia(1)	20	–	–	–	–	20
Mr. Li Jia Chen	38	–	–	–	–	38
Independent Directors:						
Mr. Wong Ann Chai (Chairman)	48	–	–	–	–	48
Mr. Chay Yiowmin(2)	20	–	–	–	–	20
Ms. Chen Meiyun, Agnes(3)	19	–	–	–	–	19
Mr. Leow Yong Kin(4)	32	–	–	–	–	32
Mr. Toh Tiong San(5)	31	–	–	–	–	31
Executive Director:						
Mr. Ryan Chiu Tzong Min(6)	–	33	–	–	5	38
Mr. Choo Han Kiat Eric(7)	–	140	–	–	7	147
Mr. Ma Zhi(8)	–	–	–	–	–	–

Notes:

(1) Ms. Yuanita Tjia was appointed as a Non-Executive Non-Independent Director on 13 December 2021 and as a member of the Audit Committee, a member of the Remuneration Committee and a member of the Nominating Committee with effect from 4 January 2022

(2) Mr. Chay Yiowmin was appointed as an Independent Director on 13 December 2021 and as the Lead Independent Director of the Company, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee with effect from 4 January 2022

(3) Ms. Chen Meiyun, Agnes was appointed as an Independent Director on 26 January 2022 and as the Chairman of the Remuneration Committee with effect from 26 January 2022

(4) Mr. Leow Yong Kin resigned as the Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating and Remuneration Committee on 12 January 2022

(5) Mr. Toh Tiong San resigned as an Independent Director, Chairman of Remuneration Committee and a member of Audit Committee and Nominating Committee on 26 January 2022

(6) Mr. Ryan Chiu Tzong Min was appointed as the Deputy Chief Executive Officer of the Company on 13 December 2021 and as an Executive Director on 26 January 2022

(7) Mr. Choo Han Kiat Eric resigned as the Executive Director and Chief Executive Officer of the Company on 31 January 2022

(8) Mr. Ma Zhi ceased to be an Executive Director of the Company with effect from 28 June 2022

CORPORATE GOVERNANCE REPORT

A breakdown of the total remuneration of the key executive for FY2022 is as follows:-

Name of Key Executive	Salary S$'000	Bonus S$'000	Share-based incentives and awards S$'000	Other benefits S$'000	Total S$'000
Ms. Xie Li (Sherry)	38	–	–	56	94
Mr. Jiang Jian Peng	27	–	–	8	35
Mr. Ma Qingren	29	–	–	–	29
Mr. Zhong Jingyi	14	–	–	–	14
Mr. Kim Jiwon (Rebecca)	9	–	–	–	9
Mr. Eric Choo Han Kiat	–	–	–	3	3
Mr. Chia Soo Hian(1)	–	–	–	2	2
Dr. Lim Boh Soon(2)	–	–	–	2	2

Notes:

(1) Mr. Chia Soo Hian is an Advisor to the Board
(2) Dr. Lim Boh Soon is an Advisor to the Board

The total remuneration paid to the top key executive (who is not a Director) for FY2022 was approximately S$188,000.

Provision 8.2

None of the employees of the Company who is substantial shareholder of the Company, or an immediate family member of a Director, the Deputy CEO, or a substantial shareholder of the Company whose remuneration exceeds S$100,000 during FY2022.

Provision 8.3

The Company does not have any employee share/ stock options scheme or any other long-term incentive scheme during the financial year ended 30 June 2022. The Company has been considering long-term incentive schemes for Directors and Key Management Personnel taking into account various factors but has yet to find a suitable model. The Company will continue to look into the matter.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders.

Provision 9.1

The Board recognises its responsibilities over the governance of risks and regularly reviews the adequacy and effectiveness of the Company's risk management and internal control systems, including financial, operational, compliance and information technology controls (collectively, "**Internal Controls**"), with the assistance of the Management, the external auditors and the internal auditors appointed by the Company.

CORPORATE GOVERNANCE REPORT

The Board is re-structuring the management procedures for ensuring a sound system of Risk Management and Internal Controls. These procedures shall include a structured Enterprise Risk Management ("**ERM**") system, management reviews of key transactions, and the assistance of independent consultants such as the Group's external and internal auditors to review financial statements and Internal Controls covering key risk areas in safeguarding shareholders' interests and the Group's assets.

The ERM programme shall be structured by the Company to cover the following areas:

ERM policies and procedures

An overall framework for Risk Management shall be documented in a manual to be disseminated to personnel responsible for oversight of risks and operations of risk countermeasures. This ERM manual includes the Terms of Reference of the various personnel and committees responsible for monitoring and managing risks in the Group. The ERM process will also require ongoing identification of key risks to the Company and reporting these risks to the Board to better determine whether appropriate measures have been taken to address relevant risks. Risk workshops, attended by Key Management Personnel, are conducted annually to provide a structured approach to identify and assess of risks of the Group.

A Risk Management Committee ("**RMC**") was previously set up on 21 February 2013 but has since been dissolved. The Board will consider to re-establish the RMC when necessary.

Risk Appetite of the Company

Generally, the Board will rely on the Management to monitor day-to-day operations while subjecting key corporate decisions, such as investments or acquisitions of businesses to Board approval. Management frequently reviews the Group's business and operational activities to identify and highlight to the Board and the AC any areas of significant business risks as well as appropriate measures to control and mitigate these risks. The Company's performance is monitored closely by the Board periodically and any significant matters that might have an impact on the operating results are required to be brought to the immediate attention of the Board.

The Company has also taken a strict stance towards avoiding any risks that might result in breaching relevant laws and regulations and risks that could adversely affect the reputation of the Group. Active efforts are also in place to manage risks within impact such as transferring them to third party insurers or having internal control procedures to better mitigate the likelihood of their occurrence. Internal audits will be regularly conducted to assess the ongoing compliance with the established controls to address key risk areas where applicable.

Risk assessment and monitoring

Based on the proposed ERM framework, the nature and extent of risks to the Company will be assessed regularly and risk reports covering top risks to the Group will be submitted to the Board at least on a half-yearly basis. A set of risk registers to document risks arising from this ERM exercise has also been established to document all key risks and the corresponding countermeasures to the Company. These registers will be updated whenever new risks emerge.

The Company shall implement the Control Self-Assessment ("**CSA**") exercise covering key operating areas in the Group. This exercise comprises internal control questionnaires to be completed by staff to assess level of effectiveness of internal controls and risk countermeasures. The CSA exercise will cover all the key business processes of the Group and results of the exercise will be included in the periodic risk reports to the Board and Audit Committee.

The Management shall put in place the systems of Internal Controls within the Group to identify risks and document countermeasures to address risks in the Group's business, and to safeguard the shareholders' interests and the Group's assets.

CORPORATE GOVERNANCE REPORT

Top ten risks and their respective countermeasures shall be identified by key management and documented in the Group's risk register and discussed with the Board regularly. The abovementioned systems are intended to provide reasonable but not absolute assurance against material misstatements or loss, and to safeguard assets and ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risks.

Management will review and adjusts its business and operational activities, if necessary, where it identifies areas of significant business risks as well as taking appropriate measures to control and mitigate these risks. The Management reviews all significant control policies and procedures on a continuous basis and highlights all significant matters to the Board.

Management alone does not guarantee that business undertakings will not fail. However, by identifying and managing risks that may arise, the Group can make more informed decisions and benefit from a better balance between risk and reward. This will help protect and also create shareholders' value.

Management is then expected to ensure that appropriate controls are in place to manage those risks, and such risks and controls are monitored by the Board on a regular basis.

The Company's external auditors also highlight internal control issues that came to their notice during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing their opinion on the financial statements and these issues and their recommendations are reported to the AC.

Provision 9.2

The Board has received assurance from the Deputy CEO that the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

The Board is unable to receive assurance from the Chief Financial Officer ("**CFO**") as the Company has yet to appoint one.

The Board has received assurance from the Deputy CEO and other key management personnel who are responsible, that the Company's risk management and internal control systems are adequate and effective.

The Board, with the concurrence of the AC is of the view that the Company's internal controls and risk management systems is adequate and effective.

AUDIT COMMITTEE

Principle 10: The Board has an Audit Committee which discharges its duties objectively.

The Board is accountable to shareholders for the management of the Group. The Board updates shareholders on the operations and financial position of Company on a quarterly basis when it releases its results announcements as well as timely announcements of other matters as prescribed by the relevant rules and regulations. The Management is accountable to the Board by providing the Board with the detailed financial information whenever necessary for the discharge of its duties to the shareholders.

CORPORATE GOVERNANCE REPORT

Provisions 10.1 and 10.2

The AC comprises entirely of non-executive Directors, majority of whom, including the Chairman, are independent. The members of the AC are as follows:-

Mr. Chay Yiowmin	(Chairman - Non-Executive Lead Independent Director)
Mr. Wong Ann Chai	(Member - Non-Executive Independent Chairman)
Ms. Yuanita Tjia	(Member - Non-Executive Non-Independent Director)

The Board is satisfied with the composition of the AC and the AC members are appropriately qualified to discharge their responsibilities. All members of the AC have recent and relevant accounting or related financial management expertise or experience, as the Board interprets such qualification in its business judgment.

By briefings given by the external auditors, the AC and Management are always kept abreast of changes to accounting standards and issues which have a direct impact on financial statements. AC members will also attend trainings regarding the new accounting standards as and when such need arises.

The duties and responsibilities of the AC currently include the following:

1. assists the Board in discharging its statutory responsibilities on financial and accounting matters;

2. reviews the financial and operating results and accounting policies of the Group;

3. reviews significant financial reporting issues and judgements relating to financial statements for each financial year, interim and annual results announcement before submission to the Board for approval;

4. reviews the assurance from the Deputy CEO on the financial records and financial statements;

5. reviews the adequacy, effectiveness, independence, scope and results of the external audit and the Company's internal audit function;

6. reviews the adequacy of the Company's internal controls and risk management policies;

7. reviews the audit plans and reports of the external and internal auditors and consider the effectiveness of the actions taken by Management on the auditors' recommendations;

8. appraises and report to the Board on the audits undertaken by the external and internal auditors, the adequacy of the disclosure of information, and the appropriateness and quality of the system of management and internal controls;

9. reviews the independence of external auditors annually and nominate external auditors for appointment or re-appointment of and consider matters relating to the resignation or removal of the auditors and approve the remuneration and terms of engagement of the external auditors; and

10. reviews IPTs, as defined in the Listing Manual of the SGX-ST.

CORPORATE GOVERNANCE REPORT

Provision 10.3

The AC does not comprise former partners or directors of the Company's existing auditing firm or auditing corporation.

Provision 10.4

INTERNAL AUDIT

During the financial year under review, the internal audit function is outsourced to Crowe Horwath First Trust Risk Advisory Pte. Ltd. ("**Crowe**" or "**Crowe Singapore**") who reports primarily to the AC. The AC decides on the appointment, termination and remuneration of the head of the internal audit function.

Crowe Singapore, a member of Crowe Global – the ninth largest accounting network in the world, is an award-winning firm that leverages its core strengths in audit, tax and accounting to provide a full suite of professional services, serving the needs of public-listed entities, multinational corporations and financial institutions.

During FY2022, Crowe Singapore conducted on internal control review on Bo Dao Road Construction Co., Ltd, which is our PPP Project on road construction, management and maintenance in China, with a focus on the following:

Procurement

- Purchase planning and requisition
- Vendor evaluation and selection
- Purchase contract formation and management
- Purchase order processing and monitoring

Payment

- Accounts payables recording
- Payments processing and recording
- Bank account reconciliation
- Employee advances
- Reimbursement of expenses

Review of general control environment

- Standard operating procedures
- Delegation of authority and limits
- Segregation of duties
- System access and controls
- Conflict of interest declaration

This involved evaluation and limited testing of the relevant internal control areas in accordance with Crowe's Internal Controls Review methodologies. Crowe conducted interviews with relevant process owners, reviewed existing policies and procedures, and leveraged the previous external audit reports to help align our procedures to best practices. Crowe also tailored specific internal controls review programs to perform limited test of controls, on a sample basis, to assess operating effectiveness of the processes.

The Board reviews and approves the internal audit plan. Implementation of internal audit recommendation is further reviewed by the AC based on dates agreed with the Management. The internal audit function has unfettered access to the Company's documents, records, properties and personnel, including the AC, and has appropriate standing within the Company.

The AC also reviews, at least annually, the adequacy and effectiveness of the internal audit function including the qualifications and experience of the internal audit staff assigned to perform the reviews.

The Board is of the view that the present level of internal control is appropriate and will continue to review such internal control systems at least on an annual basis.

The Board notes that any system of internal controls can only provide reasonable, but not absolute, assurance that the Group would not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. Therefore, the Board recognizes the limitations that are inherent in any system as this control system is designed to manage rather than eliminate risk of failure to achieve corporate objectives. The Board is also of the view that given the above limitations to internal controls system, there is no absolute assurance against occurrence of material errors, poor judgement in decision-making, human error, fraud or other irregularities.

Based on the work performed by the internal and external auditors, the Board, with the concurrence of AC, is of the opinion that, the system of internal controls maintained by the Group's Management throughout the financial period ended 30 June 2022 is adequate and effective to address the financial, operational, compliance and information technology risks within the Group's business operations.

In the overall internal control assessment for FY2022, the AC and the Board noted that no material control deficiencies were identified.

Provision 10.5

The AC assists the Board to maintain a high standard of corporate governance, particularly by providing an independent review of the effectiveness of the financial reporting, management of financial and control risks, and monitoring of the internal control systems.

The members of the AC, collectively, are appropriately qualified to discharge the AC's responsibilities. Mr. Chay Yiowmin, Mr. Wong Ann Chai and Ms. Yuanita Tjia all possess the requisite accounting and related financial management expertise and experience.

The AC will convene at least four (4) meetings after the end of each quarter of every financial year. The external auditor will also be present at the relevant junctures. In its review of the audited financial statements for FY2022, the AC discussed with the Management and external auditors the audit work performed and accounting principles applied.

The AC is briefed by the external auditors of changes to accounting standards and issues which have a direct impact on financial statements during the presentation of the audit plan and the audit report to the AC.

The AC has explicit authority to investigate any matter. It also has the discretion to invite any Director or Management to attend its meetings.

The AC also meets with the external auditors and internal auditors without the presence of the Management at least once a year. During FY2022, the AC met with the external auditors and internal auditors at least once without the presence of the Management.

The Company is in compliance with Rules 712, 715 and 716 of the Listing Manual of SGX-ST whereby the Company appoints a suitable auditing firm to meet its audit obligations in respect of its own accounts and for its subsidiaries.

CORPORATE GOVERNANCE REPORT

The AC has reviewed and is satisfied with the independence of the external auditors, and has recommended to the Board that RT LLP be nominated for re-appointment as auditors of the Company at the forthcoming AGM.

The aggregate amount of fees paid to RT LLP for audit services for FY2022 is S$128,800.

The fees paid to RT LLP for non-audit services for FY2022 is S$9,000.

Whistle-blowing Policy

The Company has put in place a Whistle-blowing Policy and arrangements where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters, and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. The procedures for reporting such matters and the contact details of the AC have been made available to the employees on the subsidiaries' general notice board. On a public approach, any person who wishes to raise such concerns or matters to the AC's members may do so in confidence by way of email to whistle-blowing.report@rafflesinfrastructure.com.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

Principle 11: The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

The Company is committed to maintaining and improving its level of corporate transparency, providing timely, fair and adequate disclosure of relevant information to shareholders so that they will be apprised of the developments that may have a material impact on the Company's securities. The Company does not practice selective disclosure. Such information is published through the SGXNet. The Company is open to meetings with investors and analysts, and in conducting such meetings, the Company is mindful of the need to ensure fair disclosure. All quarterly, half-yearly and full year results announcements, annual reports, dividend declaration and notice of book closure are announced via SGXNet or issued within the prescribed period under Listing Manual.

The Company ensures that true and fair information is delivered adequately to all shareholders and to ensure that shareholders have the opportunity to participate effectively in and vote at general meetings of shareholders.

The Company's Bye-laws presently do not permit a shareholder, including a corporation which provides nominee or custodial services, to appoint more than two proxies to attend and participate in shareholders' general meetings as proxies.

The Bye-laws of the Company allows shareholders to vote at general meetings in person or by proxy and equal effect is given to such votes. Separate resolutions are tabled at general meetings on each distinct issue. Management, Directors and, where necessary, the external auditors and legal advisors are present and available to address questions at general meetings.

All resolutions of the Company will be put to vote by poll and the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced.

CORPORATE GOVERNANCE REPORT

Provision 11.2

The Company tables separate resolutions at general meetings of shareholders on each substantially separate issue. Each item of special business included in the notice of meetings will be accompanied by the relevant explanatory notes. This is to enable shareholders to understand the nature and effect of the proposed resolutions. Where the resolutions are "bundled", the Company would explain the reasons and material implication in the notice of meeting.

All resolutions of the Company will be put to vote by poll and the detailed results showing the number of votes cast for and against each resolution and the respective percentages will be announced.

Provision 11.3

The Board members and chairpersons of the AC, NC, and RC were present and available to address shareholders' questions submitted electronically prior to the annual general meeting of the Company held through electronic means during FY2021 on 29 October 2021 (the "**FY2021 AGM**"). The external auditors were also present at the FY2021 AGM to address shareholders' queries relating to the conduct of the audit and the preparation and content of the auditors' report.

Directors' attendance at the FY2021 AGM held on 29 October 2021 is disclosed on Page 37 in this Annual Report.

Provision 11.4

At the present, the Company's Bye-Laws do not have a provision to allow shareholders to vote in absentia, and as the legal and regulatory environment is not entirely conducive for voting in absentia, the Company does not allow a shareholder to vote in absentia at general meetings. The introduction of absentia voting methods will be deferred until an appropriate time.

The Board may from time to time review the provisions of the existing Bye-Laws of the Company to ensure that they are in line with the good corporate governance practices as recommended by the Code. If the Board deems fit, it may propose any necessary amendments to the same to the shareholders for approval.

Provision 11.5

The Company publishes minutes of general meetings of shareholders on its corporate website as soon as practicable. The minutes record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management.

The Company published the minutes of the FY2021 AGM on SGXNet within one month after the date of the FY2021 AGM on 26 November 2021.

Due to the COVID-19 restriction orders in Singapore, the Company held its AGM on 29 October 2021 pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements were arranged such as attendance at the AGM by way of electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio-only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM. Minutes of the AGM was published in the SGXNET.

CORPORATE GOVERNANCE REPORT

The forthcoming AGM will be held on 31 October 2022 at 2.00 p.m. by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Please refer to the Notice of AGM of the Annual Report.

Provision 11.6

The Company does not have a specific dividend policy. Nonetheless, the Management after reviewing the performance of the Company in the relevant financial period will make appropriate recommendations to the Board. Any dividend declaration will be communicated to shareholders via announcement through SGXNet.

As disclosed in the Company's announcement released on SGXNet on 29 August 2022, the Company will not be declaring or recommending any dividends for FY2022 because the Company believes that it is more beneficial to conserve cash and be ready to re-invest the profits should any business/ investment opportunities arise.

ENGAGEMENT WITH SHAREHOLDERS

Principle 12: The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3

In line with continuous disclosure obligations of the Company, pursuant to the SGX-ST's Listing Manual, the Board shall devise an effective Investor Relations Policy to regularly convey pertinent information to shareholders in a timely manner, of material events and all major developments that impact the Group.

Where there is inadvertent disclosure made to a selected group, the Company will make the same disclosure publicly as soon as practicable. Communication is made through:

- Annual Reports that are prepared and issued to all shareholders. The Board makes every effort to ensure that the Annual Reports include all relevant information about the Group, including future developments and other disclosures required by the Listing Manual and the relevant accounting standards;

- Quarterly financial statements containing a summary of the financial information and affairs of the Group for the period;

- Notices of and explanatory memoranda for annual general meetings and special general meetings;

- Disclosures to the SGX-ST; and

- The Group's websites at https://rafflesinfrastructure.com at which shareholders can access information of the Group. The website provides, inter alia, products information and profile of the Group where shareholders may contact the Company with questions and the Company will respond to such questions accordingly.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

Provisions 13.1, 13.2 and 13.3

The Company has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationship with such groups. These arrangements as well as strategies and key areas of focus in relation to the management of stakeholder relationships are set out in the Company's Sustainability Report on Pages 22 to 25 of this Annual Report.

The Company maintains a corporate website to communicate and engage with stakeholders which is available in the following link: https://rafflesinfrastructure.com.

(F) DEALING IN SECURITIES
(Listing Manual Rule 1207(19))

The Company has adopted its own internal compliance code pursuant to the SGX-ST's best practices on dealings in securities and these are applicable to all its officers in relation to their dealings in the Company's securities. The Company and its officers are prohibited from dealing in the Company's shares during the period commencing two (2) weeks before the announcement of the Company's quarterly financial results for each of the first three quarters of a financial year and one (1) month before the announcement of the Company's full-year financial results, or if they are in possession of unpublished price-sensitive information of the Company. In compliance with Rule 1207(19)(b), the Company also prohibits its officers from dealing in the Company's securities on short-term considerations. In addition, Directors and officers are expected to observe insider-trading laws at all times even when dealing in securities within the permitted trading period.

(G) MATERIAL CONTRACTS
(Listing Manual Rule 1207(8))

There were no material contracts of the Company or its subsidiaries involving the interests of the Deputy CEO, any Director or controlling shareholders, either still subsisting at the end of the financial year ended 30 June 2022.

(H) INTERESTED PERSON TRANSACTIONS ("IPT")
(Listing Manual Rule 1207(17) and Rule 907)

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC, if any, and that the transactions are carried out on a normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

There were no IPT with an aggregate value of more than S$100,000 in FY2022.

CORPORATE GOVERNANCE REPORT

(I) USE OF PROCEEDS
(Listing Manual Rule 1207(20))

As at the date of this report, that status of the utilisation of the proceeds raised from the Company's initial public offerings ("**IPO**") and placement are as follows:

Use of IPO proceeds	Amount allocated S$'000	Amount utilized S$'000	Balance S$'000
To construct initial new facilities and acquire new machinery	14,000	13,231	769
To expand initial research and development capabilities	1,000	1,000	–
For initial working capital purpose	2,182	2,182	
	17,182	16,413	769

Use of Placement proceeds	Amount allocated S$'000	Amount utilized S$'000	Balance S$'000
From 28 September 2018			
For project investment	22,900	7,048	15,852
For working capital purpose	7,000	6,503	497
	29,900	13,551	16,349
	47,082	29,964	17,118

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Raffles Infrastructure Holdings Limited (the "Company") and its subsidiaries (collectively known as the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022.

1. Opinion of the directors

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Executive director

Ryan Chiu Tzong Min (Appointed on 26 January 2022)

Independent non-executive director

Chay Yiowmin (Appointed on 13 December 2021)
Chen Meiyun, Agnes (Appointed on 26 January 2022)
Wong Ann Chai

Non-independent non-executive director

Li Jia Chen
Yuanita Tjia (Appointed on 13 December 2021)

3. Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraph 4 below.

DIRECTORS' STATEMENT

4. Directors' interests in shares or debentures

According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had an interest in the shares or debentures of the Company and its related corporations, except as follows:

	Holdings registered in name of director		Holdings in which a director is deemed to have an interest	
The Company (No. of ordinary shares)	**At 30 June 2022**	**At 13 December 2021 (date of appointment)**	**At 30 June 2022**	**At 13 December 2021 (date of appointment)**
Yuanita Tjia	12,000,000	12,000,000	–	–

The director's interests in the shares of the Company at 21 July 2022 was the same at 30 June 2022.

5. Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option as at the end of the financial year.

6. Audit committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this report, they are:

Chay Yiowmin
Wong Ann Chai
Yuanita Tjia

The Audit Committee (AC) will convene at least four (4) meetings after the end of each quarter of every financial year. The external auditor will also be present at the relevant junctures. In its review of the audited financial statements for FY2022, the AC has convened 4 meetings with key management and 2 meetings with the external auditors of the Company to discuss the audit work performed and accounting principles applied.

The Audit Committee carried out its duties which included the following:

(i) the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls.

(ii) Group's quarterly and annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors.

(iii) the quarterly, half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company.

DIRECTORS' STATEMENT

6. Audit committee (Continued)

(iv) interested person transactions in accordance with SGX listing rules;

(v) nomination of external auditors and approval of their compensation; and

(vi) submission of report of actions and minutes of the Audit Committee to the board of directors with any recommendations as the Audit Committee deems appropriate.

In FY 2022, the independent director(s) in Audit Committee has received co-operation from the management and has been given resources required for it to discharge its function.

(i) the audit plan and results of the external audit and the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group.

(ii) the adequacy of the Group's risk management processes.

(iii) the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(iv) Group's quarterly and annual financial statements and the external auditors' report on the annual financial statements of the Group and of the Company before their submission to the board of directors.

(v) the quarterly, half-yearly and annual announcements as well as the related press releases on the results of the Group and financial position of the Group and of the Company; and

(vi) interested person transactions in accordance with SGX listing rules.

The Audit Committee has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the directors the nomination of RT LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

On behalf of the Board of Directors

Ryan Chiu Tzong Min
Executive Director

Chay Yiowmin
Audit Committee Chairman &
Non-Executive Lead Independent
Director

Date: 13 October 2022

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAFFLES INFRASTRUCTURE HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Raffles Infrastructure Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group, and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and of the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 4 to the financial statements, with respect to the Group's current and planned funding arrangements to fulfil a sales contract relating to a public-private partnership ("PPP") agreement/ contract in China, and to complete its performance obligations. The said contract is the main income source of the Group at the present moment. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAFFLES INFRASTRUCTURE HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How the matter was addressed in the audit
Revenue recognition i) *Revenue (refer to Note 4 to the financial statements relating to the revenue from infrastructure projects)* ii) *Discounting of non-current trade receivables (refer to Note 3.2(iv) to the financial statements)* The principal activity of the key operating subsidiary of the Group, Bo Dao Road Construction Co. Ltd ("Bo Dao") is the provision of infrastructure and construction projects. Bo Dao has entered into a public-private partnership ("PPP") agreement/contract with a government authority in the People's Republic of China ("PRC") ("customer") in relation to road constructions in the PRC. Under the terms of the agreement/contract, the completed sections of the road ("projects") are required to undergo quality checks/surveyors certification by the contracted parties before the single performance obligation of each project is deemed to be satisfied. The final acceptance of delivery eventualizes when the customer endorses completion and delivery by effecting the first of the staggered payments as described below. Upon completion of the performance obligation of each project, Bo Dao will be paid by the customer in the PRC over a 10 year period. In the current financial year ended 30 June 2022, Bo Dao had undiscounted revenue of RMB 28,247,000 from a single project upon satisfying the identified single performance obligation and as accepted by the customer. At the end of the current financial year, cumulative revenue recognised to-date in the income statements amounted to approximately RMB 318 million (before discounting factor and 8.8% investment return annually), which is approximately 57% of the contract sum of the PPP agreement/contract of RMB 550 million. This does not include contract costs capitalised in the statement of financial position and completed projects awaiting affirmation and acceptance by the customer.	We consider the audit of the group's revenue recognition from infrastructure projects to be a key audit matter due to the following: 1. *magnitude of the amount recognised in the financial statements,* 2. *the matter required significant time to audit, and* 3. it involved significant management judgement as disclosed in Note 3.1(i)(a) to the financial statements We reviewed the application of the Group's revenue recognition policy and challenged management's assessment as to whether the accounting treatment complies with SFRS(I) 15. In particular, we challenged management's assumptions on the identification of a single performance obligation for each project and on whether the revenue is recognised at a point in time or over time. Based on our assessment, given the time taken to complete the projects and the manner in which each project is treated, recognition at a point in time would be appropriate. The projects are independent of each other, and they are standalone in terms of completion, delivery, and accounting treatment. We tested on a full basis whether valid contractual agreements or other documentation were in place to support the terms of the contract as represented by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAFFLES INFRASTRUCTURE HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Report on the Audit of the Financial Statements (Continued)

Key Audit Matters (Continued)

Key audit matter	How the matter was addressed in the audit
Revenue recognition (Continued)	
As there is a significant financing component, due to the staggered payment in determining the transaction price, Bo Dao had adjusted the above agreed amount of consideration of RMB28,247,000 for the effects of the time value of money. The carrying amount of non-current trade receivables as at initial recognition had been reduced accordingly by the same amount, that is, present value. The amount of the significant financing component amounted to RMB3,518,000 for the current financial year ended 30 June 2022. Accordingly, the revenue recognised for the current financial year ended 30 June 2022 was RMB24,729,000. Management had used the prevailing 1, 2, 3, 5, 7 and 10-years' China Government Bond Yield rate as the discount rate to determine the amount of the significant financing component and the corresponding fair value of the non-current trade receivables at initial recognition, as this is the normal rate at which other entities would provide for secured or unsecured lending to the debtor.	We also performed checks on whether the applicable terms of the contract had been followed, including but not limited to performing re-computation of revenue according to proper contract terms. We considered external evidence, especially the interim payment certificates stamped and verified by all independent parties to ascertain whether the single performance obligation relating to the project completed during the current financial year had been satisfied and that the revenue has been recognised appropriately in the current financial year. We challenged the appropriateness of management's use of the prevailing China Government Bond rate as the discount rate to determine the amount of the significant financing component and the corresponding fair value of the non-current trade receivables at initial recognition.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the information listed below that is included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

- Corporate Profile;
- Letter to Shareholders;
- Business Review;
- Board of Directors;
- Key Management;
- Group Financial Highlights;
- Corporate Information;
- Sustainability Report;
- Corporate Governance Report;
- Directors' Statement;
- Statistics of Shareholdings;
- Notice of Annual General Meeting; and
- Disclosure of Information on Directors Seeking Re-Election

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAFFLES INFRASTRUCTURE HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Report on the Audit of the Financial Statements (Continued)

Information Other than the Financial Statements and Auditor's Report Thereon (Continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities including overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

(a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

(b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF RAFFLES INFRASTRUCTURE HOLDINGS LIMITED
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (Continued)

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

(e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

(f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ravinthran Arumugam FCA.

RT LLP
Public Accountants and
Chartered Accountants

Singapore
Date: 13 October 2022

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RMB'000	Group 2021 RMB'000
Revenue	4	34,563	25,168
Cost of sales		(24,910)	(18,299)
Gross profit		9,653	6,869
Other income	5	10,756	7,783
Distribution & marketing expenses		(27)	–
Administrative expenses		(7,030)	(9,695)
Finance costs		(18)	–
Profit before income tax	6	13,334	4,957
Income tax expense	8	(1,669)	(1,010)
Profit for the year		11,665	3,947
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss:			
Exchange differences on translating foreign operations, net of tax		39	233
Other comprehensive income for the year, net of tax:		11,704	4,180
Profit attributable to:			
Equity holders of the parent Company		10,484	3,031
Non-controlling interests		1,181	916
		11,665	3,947
Total comprehensive income attributable to:			
Equity holders of the parent Company		10,533	3,270
Non-controlling interests		1,171	910
		11,704	4,180

Earnings per share attributable to owners of the Company (RMB)

		2022	2021
- Basic and diluted	9	0.15	0.04

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group 2022 RMB'000	Group 2021 RMB'000	Company 2022 RMB'000	Company 2021 RMB'000
ASSETS					
Non-current assets					
Trade and other receivables	14	233,338	251,830	–	–
Property, plant and equipment	11	898	174	–	–
Investments in subsidiaries	12	–	–	515	510
Deferred tax assets	21	158	–	–	–
Total non-current assets		234,394	252,004	515	510
Current assets					
Contract assets	10	47,013	29,160	–	–
Amount due from subsidiaries	13	–	–	128,000	131,809
Trade and other receivables	14	64,682	48,682	–	–
Prepayments	15	283	106	76	98
Cash and cash equivalents	16	85,638	91,243	36	39
Total current assets		197,616	169,191	128,112	131,946
Total assets		432,010	421,195	128,627	132,456
LIABILITIES AND EQUITY					
Equity					
Share capital	17	192,187	192,187	192,187	192,187
Treasury shares	18	(24)	(24)	(24)	(24)
Reserves	19	(11,303)	(11,352)	93,087	93,087
Retained earnings/ (Accumulated losses)		23,054	12,570	(158,299)	(155,700)
Non-controlling interests		21,752	20,581	–	–
Equity attributable to owners of the Company		225,666	213,962	126,951	129,550
Current liabilities					
Trade and other payables	20	180,541	183,594	1,676	2,906
Lease liabilities	22	442	–	–	–
		180,983	183,594	1,676	2,906
Non-current liabilities					
Lease liabilities	22	294	–	–	–
Deferred tax liabilities	21	25,067	23,639	–	–
Total non-current liabilities		25,361	207,233	1,676	2,906
Total liabilities		206,344	207,233	1,676	2,906
Total liabilities and equity		432,010	421,195	128,627	132,456

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY

AS AT 30 JUNE 2022

	Attributable to owners of the Company								
			← 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
Group									
Balance at 1 July 2020	192,187	(24)	93,087	(102,287)	(2,385)	9,539	190,117	19,317	209,434
Profit for the year	–	–	–	–	–	3,031	3,031	916	3,947
Exchange differences arising on translation of foreign operation	–	–	–	–	233	–	233	–	233
Non-controlling interest's capital contribution arising from incorporation of a subsidiary (Note 28(b))	–	–	–	–	–	–	–	348	348
Balance at 30 June 2021	192,187	(24)	93,087	(102,287)	(2,152)	12,570	193,381	20,581	213,962
Balance at 1 July 2021	192,187	(24)	93,087	(102,287)	(2,152)	12,570	193,381	20,581	213,962
Profit for the year	–	–	–	–	–	10,484	10,484	1,181	11,665
Exchange differences arising on translation of foreign operation	–	–	–	–	49	–	49	(10)	39
Total comprehensive income for the year	–	–	–	–	49	10,484	10,533	1,171	11,704
Balance at 30 June 2022	192,187	(24)	93,087	(102,287)	(2,103)	23,054	203,914	21,752	225,666

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

STATEMENTS OF CHANGES IN EQUITY

AS AT 30 JUNE 2022

	Share capital RMB'000	Treasury shares RMB'000	Share premium RMB'000	Accumulated losses RMB'000	Total equity 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	–	–	–	(8,013)	(8,013)
Balance at 30 June 2021	192,187	(24)	93,087	(155,700)	129,550
Balance at 1 July 2021	192,187	(24)	93,087	(155,700)	129,550
Total comprehensive loss for the year	–	–	–	(2,599)	(2,599)
Balance at 30 June 2022	192,187	(24)	93,087	(158,299)	126,951

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 RMB'000	Group 2021 RMB'000
Operating activities			
Profit before income tax		13,334	4,957
Adjustments for:			
Depreciation of property, plant and equipment	11	198	45
Unrealised currency translation difference		29	–
Interest income	5	(270)	(286)
Finance cost		18	–
Operating cash flows before changes in working capital		13,309	4,716
Changes in working capital:			
Other current assets		(17,853)	(23,629)
Trade and other receivables		2,315	23,754
Trade and other payables		28,746	2,752
Cash generated from operations		26,517	7,593
Interest received		270	286
Net cash generated from operating activities		26,787	7,879
Financing activities			
Amount due to directors		(503)	379
Amount due to non-controlling interest of a subsidiary – Bo Dao		(31,726)	(14,817)
Payment of principal portion of lease liabilities		(157)	–
Interest paid on lease liabilities		(18)	–
Share capital contribution from non-controlling interest on incorporation of a subsidiary -Raffles Infrastructure Development Bangladesh Ltd		–	348
Net cash used in financing activities		(32,404)	(14,090)
Net decrease in cash and cash equivalents		(5,617)	(6,211)
Cash and cash equivalents at beginning of financial year		91,243	97,221
Effect of currency translation		12	233
Cash and cash equivalents at end of financial year	16	85,638	91,243

The accompanying notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Reconciliation of liabilities arising from financing activities

			Non-cash changes				
	1 July 2021	Financing cash flows[1]	Interest expense	New leases	Others[2]	Currency exchange	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
				(Note 11)	(Note 11)		
Amount due to directors	1,185	(503)	–	–	17	–	699
Amount due to non-controlling interest of a subsidiary – Bo Dao	149,091	(31,726)	–	–	–	–	117,365
Lease liabilities	–	(175)	18	882	–	11	736

			Non-cash changes			
	1 July 2020	Financing cash flows[1]	Interest expense	New leases	Currency exchange	30 June 2021
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Amount due to directors	806	379	–	–	–	1,185
Amount due to non-controlling interest of a subsidiary – Bo Dao	163,908	(14,817)	–	–	–	149,091

(1) The cash flows make up the net amount of payment of lease liabilities, payment to directors and non-controlling interest of a subsidiary.

(2) This is the addition of computers paid by the directors on behalf of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

1. General information

1.1 Corporate information

Raffles Infrastructure Holdings Limited (the "Company") (Registration Number 40381) is incorporated in Bermuda with its registered office located at 5th Floor Andrew's Place, 51 Church Street, Hamilton, HM 12, Bermuda. The principal place of business of the Group is located at Xingwen County, Yibin, Sichuan, The People's Republic of China ("the PRC").

The principal activity of the Company is investment holding.

The principal activities of the respective subsidiaries are disclosed in Note 12 to the financial statements.

The consolidated financial statements of the Group and statement of financial position and statement of changes in equity of the Company for the year ended 30 June 2022 were authorised for issue by the Board of Directors on 13 October 2022.

The Company has no immediate and ultimate holding company as no shareholder holds more than 50% of the shareholding of the Company.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements are prepared in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") including related SFRS(I) Interpretations and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

Functional currency

The individual financial statements of each Group entity are measured in the currency of the primary economic environment in which the entity operates (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Renminbi ("RMB"), and all values presented are rounded to the nearest thousand ("RMB'000"), unless otherwise indicated.

The statement of financial position and statement of changes in equity of the Company are presented in RMB to be in line with the functional currency of the key operating subsidiary of the Group (namely Bo Dao Road Construction Co. Ltd) which is RMB, and the presentation currency of the Group's financial statements which is also RMB.

The preparation of financial statements in conformity with SFRS(I)s requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Interpretations and amendments to published standards effective in the current financial year

On 1 July 2021, the Group has adopted the new or amended SFRS(I)s and SFRS(I)s Interpretations that are mandatory for application for the financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s and SFRS(I)s Interpretations.

The adoption of these new or amended SFRS(I)s and SFRS(I)s Interpretations did not result in substantial changes to the Group's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.2 Standards issued but not yet effective

At the date of authorisation of these statements, the following amendments to SFRS(I)s relevant to the Group and Company were issued but not effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: *Definition of Accounting Estimates*	1 January 2023
Amendments to SFRS(I) 1-1: *Classification of Liabilities as Current or Non-current*	1 January 2023
Amendments to SFRS(I) 1-12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	1 January 2023

The Board of Directors expect that the adoption of the amendments to standards above will have no material impact on the financial statements in the period of initial application.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

2. Summary of significant accounting policies (Continued)

2.3 Basis of consolidation (Continued)

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies.

2.3.1 Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/ permitted by applicable SFRS(I)s). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.4 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the SFRS(I) are recognised at their fair value at the acquisition date, except that:

- Deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 Income Taxes and SFRS(I) 1-19 Employee Benefits respectively;

- Liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 Share-based Payment at the acquisition date; and

- Assets (or disposal Groups) that are classified as held for sale in accordance with SFRS(I) 5 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another SFRS(I).

2. Summary of significant accounting policies (Continued)

2.4 Business combinations (Continued)

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

2.5 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.5.1 Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

2.5.1 Financial assets (Continued)

Classification of financial assets (Continued)

By default, all other financial assets are subsequently measured at fair value through profit or loss (FVTPL).

Despite the aforegoing, the Group may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Group may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and

- the Group may irrevocably designate a debt investment that meets the amortised cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Group recognises interest income by applying the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

2.5.1 Financial assets (Continued)

Foreign exchange gains and losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate as at each reporting date. Specifically, for financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in profit or loss in the "other gains and losses" line item.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses ("ECL") on investments in debt instruments that are measured at amortised cost or at FVTOCI, trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The Group determines the ECL by using an individual (i.e debtor-by-debtor) basis, since the trade receivables of the Company comprised a few third party debtors.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12m ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12m ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations, namely roadway construction business during FY2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

2.5.1 Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a financial asset to have low credit risk when it has an internal or external credit rating of "investment grade" as per globally understood definition.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

2.5.1 Financial assets (Continued)

Impairment of financial assets (Continued)

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for loan commitments and financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

Where lifetime ECL is measured on a collective basis to cater for cases where evidence of significant increases in credit risk at the individual instrument level may not yet be available, the financial instruments are Grouped on the following basis:

- Nature of financial instruments (i.e. the Group's trade and other receivables and amounts due from customers are each assessed as a separate Group. Loans to related parties are assessed for expected credit losses on an individual basis);
- Past-due status;
- Nature, size and industry of debtors; and
- External credit ratings where available.

The Grouping is regularly reviewed by management to ensure the constituents of each Group continue to share similar credit risk characteristics.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12m ECL at the current reporting date.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

2.5.1 Financial assets (Continued)

Impairment of financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Group has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

2.5.2 Financial liabilities

Classification as debt or equity

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

2.5.2 Financial liabilities (Continued)

Financial liabilities (Continued)

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is 1) contingent consideration of an acquirer in a business combination to which SFRS(I) 3 applies, 2) held for trading, or 3) it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration of an acquirer in a business combination may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the Grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IFRS 9 permits the entire combined contract to be designated as at FVTPL.

Financial liabilities at FVTPL are stated at fair value with any gains or losses arising on changes in fair value recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

However, for financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. The remaining amount of change in the fair value of liability is recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to profit or loss; instead, they are transferred to retained earnings upon derecognition of the financial liability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

2.5.2 Financial liabilities (Continued)

Financial liabilities (Continued)

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not 1) contingent consideration of an acquirer in a business combination, 2) held-for-trading, or 3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost as at each reporting date, the foreign exchange gains and losses are determined based on the amortised cost of the instruments. These foreign exchange gains and losses are recognised in the “other gains and losses” line item in profit or loss for financial liabilities that are not part of a designated hedging relationship.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss for financial liabilities that are not part of a designated hedging relationship.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group’s obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

2.5.3 Offsetting arrangement

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company and the Group has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

2. Summary of significant accounting policies (Continued)

2.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost or valuation of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Building - right of use assets	2 years
Office equipment	5 years
Computers	3 - 5 years
Motor Vehicles	9 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the properties revaluation reserve is transferred directly to retained earnings. No transfer is made from the revaluation reserve to retained earnings except when an asset is derecognised.

2.7 Leases

When the Group is the lessee

At the inception of the contract, the Group assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

  The Group recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

  These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

  Right-of-use assets (except for those which meet the definition of an investment property) are presented within “Property, plant and equipment”.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.7 Leases (Continued)

When the Group is the lessee (Continued)

- Lease liabilities

  The initial measurement of a lease liability is measured at the present value of the lease payments discounted using the interest rate implicit in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Group shall use its incremental borrowing rate.

  Lease payments include the following:

  - Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
  - Variable lease payments that are based on an index or rate, initially measured using the index or rate as at the commencement date;
  - Amounts expected to be payable under residual value guarantees
  - The exercise price of a purchase option if the Group is reasonably certain to exercise the option; and
  - Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

  For a contract that contains both lease and non-lease components, the Group allocates the consideration to each lease component on the basis of the relative stand-alone prices of the lease and non-lease components. The Group has elected to not separate lease and non-lease components for property leases and account these as one single lease component.

  Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities shall be remeasured when:

  - There is a change in future lease payments arising from changes in an index or rate;
  - There is a change in the Group's assessment of whether it will exercise an extension option; or
  - There is a modification in the scope or the consideration of the lease that was not part of the original term.

  Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

- Short term leases

  The Group has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

2. Summary of significant accounting policies (Continued)

2.8 Impairment of non-financial assets

As at each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2.9 Share capital and treasury shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the carrying amount which includes the consideration paid and any directly attributable transaction cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained profits of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.10 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation represents a promise in a contract with customers to transfer a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially the same.

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the Group's performance creates and enhances an asset that the customer controls as the Group performs; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

Traditional Infrastructure Business - Rural Road Infrastructure projects

The Group entered into a Public-Private-Partnership ("PPP") arrangement with provincial government authority of China in relation to the construction of rural roads, comprising 26 projects. Revenue is computed based on the direct measurement of the value of goods and services transferred to date per certification of claims and the provision according to the contractual term, including a fixed rate of return at 8.8%. Revenue is recognised at a point in time upon the satisfaction of the customer's acceptance criteria at the completion of each project.

Under the terms of the contracts, the revenue shall be paid to the Group in an equal amount over 10 years period. As such, the Group recognises the significant financing component by adjusting the promised amount of consideration to reflect the time value of money in the arrangement in accordance with SFRS(I) 15 *Revenue from Contracts with Customers*. Once the performance obligation is satisfied, the amounts due from the customer are accounted for in accordance with SFRS(I) 39 *Financial Instruments: Recognition and Measurement* as receivables.

Digital Infrastructure Business

The Group provides two types of services for the digital infrastructure business:

- Setting up customized e-platform for the customer's management data base and data analysis system.
- Monthly maintenance service for the scope of work provided including technical support, maintaining user data base on a continuous basis, database security, and back-up system.

Management has determined that it is highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. It is therefore appropriate to recognise revenue on these transactions upon the customers' satisfactory acceptance of the services provided.

2. Summary of significant accounting policies (Continued)

2.10 Revenue recognition (Continued)

Business advisory service

Revenue from business advisory service refers to a service contract with a third party for a business consultant service in the infrastructure business across Asia countries. Revenue is recognised at a point in time when the Group satisfies the performance obligation upon performing the contractually agreed assignment over the period of time as stated in the service contract.

2.11 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Group expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities except for the investment properties where investment properties measured at fair value are presented to be recovered entirely through sale. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.11 Income tax (Continued)

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchases is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- receivables and payables that are stated with the amount of sales tax included.

2.12 Foreign currency transactions and translation

Foreign currency transactions are translated into the individual entities' respective functional currencies at the exchange rates prevailing on the date of the transaction. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as of the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations (including comparatives) are expressed in Renminbi using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a jointly controlled entity that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2. Summary of significant accounting policies (Continued)

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and cash on hand that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.14 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

2.15 Contract assets and assets recognised from costs incurred to fulfil a contract

Upon entering into a contract with a customer, the Group obtains rights to receive consideration from the customer and assumes performance obligations to transfer goods or services to the customer. A contract asset is recognised when the Group has the right to consideration in exchange for goods and services that the Group has transferred to a customer when that right is conditional on something other than passage of time (for example, the Group's future performance). A contract asset becomes a trade receivable when receipt of the consideration is unconditional and only the passage of time is required before the consideration is due.

Costs incurred that are not related to the contract or that do not contribute towards satisfying a performance obligation are excluded from the measure of progress.

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.

Asset recognised from costs incurred to fulfil a contract are presented within other current asset in the statement of financial position. They are subsequently amortised on a systematic basis as the Group recognises the related revenue over time. An impairment loss is recognised in profit or loss to the extent that the carrying amount exceeds the expected remaining consideration less any directly related costs not yet recognised as expenses.

2.16 Employee benefits

a) Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

b) Employee leave entitlements

No provision has been made for employee leave entitlements as any unconsumed annual leave will be forfeited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. Summary of significant accounting policies (Continued)

2.16 Employee benefits (Continued)

c) Retirement benefit costs

The Group participates in the national pension schemes as defined by the laws of PRC. Subsidiaries incorporated in the PRC are required to provide staff pension benefits to their employees under existing PRC legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are charged to the profit or loss as they become payable in accordance with the rules of the pension scheme.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 2 above, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

3.1 Critical judgements made in applying the Group's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that the management made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

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

(a) Revenue recognition relating to infrastructure projects

The Company provides construction services for the provincial government authority of Sichuan, China. As disclosed in Note 2.10, the Group becomes entitled to invoice customers for construction of rural roads based on achieving a series of performance-related milestones.

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.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the Group's accounting policies (Continued)

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

(b) Revenue recognition relating to Digital Infrastructure Business

The Company provides two types of services for the digital infrastructure business:

- Setting up customized e-platform for the customer's management data base and data analysis system.

- Monthly maintenance service for the scope of work provided including technical support, maintaining user data base on a continuous basis, database security, and back-up system.

Management has determined that it is highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. It is therefore appropriate to recognise revenue on these transactions upon the customers' satisfactory acceptance of the services provided.

(ii) Determination of functional currency

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

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) 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 these investments are considered more than the net assets of these subsidiaries. The Company's carrying amount of investments in subsidiaries as at 30 June 2022 was RMB515,000 (2021: RMB510,000) (Note 12).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.2 Key sources of estimation uncertainty (Continued)

(ii) 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. The carrying amounts of the Group's current tax payable and deferred tax liabilities as at 30 June 2022 were RMB412,000 (2021: RMB Nil) and RMB25,067,000 (2021: RMB23,639,000) respectively.

(iii) 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.

The carrying amount of the Group's trade receivables as at 30 June 2022 was RMB284,877,000 (2021: RMB290,643,000).

(iv) Application of discount factor for non-current trade receivables

The Group has non-current receivables due from the provincial government authority of China. The receivables were initially recognised at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial. As there is a significant financing component, in determining the transaction price, the subsidiary had adjusted the agreed amount of consideration for the effects of the time value of money.

In applying discount factor to the non-current trade receivables, management considered that the most appropriate discount rate is the China Government Bond Yield with 1, 2, 3, 5, 7 and 10 maturity years. Management determined that the application of China Government Bond Yield is the most appropriate discount rate as this is the cost of fund the provincial government authority would have been able to borrow at. As a result of the discounting, the Group adjusted the revenue and non-current receivables by RMB3,518,000 (2020: RMB2,207,000) to reflect the effects of the time value of money.

(v) Estimate of Lease term – Group as a lessee

When estimating the lease term of the respective lease arrangement, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

If a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee, the above assessment will be reviewed further.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

4. Revenue

The Group derives its revenue from the transfer of goods and services at a point in time in the following major product lines.

	Group	
	2022	**2021**
	RMB'000	**RMB'000**
Business advisory service	–	3,487
Infrastructure projects	24,729	21,681
Digital Infrastructure business	9,834	–
	34,563	25,168

<u>Infrastructure Business</u>

The Group's key operating subsidiary, Bo Dao Road Construction Co. Ltd ("Bo Dao") has entered into a public-private partnership ("PPP") agreement/contract with a government authority in the People's Republic of China ("PRC") ("customer") in relation to the roadway construction project in the PRC. Total contract value is RMB550 million with a fixed investment return of 8.8% per annum for each completed road parcel.

Under the terms of the contract, the completed sections of the roads are required to undergo quality checks/surveyors certification by the contracted parties before the performance obligation is satisfied. The final acceptance of delivery eventualizes when the customer endorses completion and delivery by effecting the first of the staggered payments as described below. Upon completion of the performance obligation of each project, Bo Dao will be paid by the customer in PRC over a 10 year period. In the current financial year, Bo Dao had undiscounted revenue from a single project upon satisfying the identified single performance obligation and as accepted by the customer. At the end of the current financial year, cumulative revenue recognised to-date in the income statements amounted to approximately RMB318 million (before discounting factor and 8.8% investment return annually), which is approximately 57% of the contract sum of the PPP agreement/contract of RMB550 million. This does not include contract costs capitalised in the statement of financial position and completed projects awaiting affirmation and acceptance by the customer.

The undiscounted infrastructure projects revenue includes income from projects upon satisfying the identified single performance obligation and project return of 8.8% earned annually on the unpaid project income portions, which are deemed investments as they are paid over 10 years.

As there is a significant financing component, due to the staggered payment in determining the transaction price, the Group had adjusted the above agreed amount of consideration for the effects of time value of money. The carrying amount of non-current trade receivables as at initial recognition had been reduced accordingly by the same amount, that is, present value. The amount of significant financing component amounted to RMB3,518,000 (2021: RMB2,207,000) for the financial year ended 30 June 2022. Accordingly, the revenue recognised for the financial year ended 30 June 2022 was RMB24,729,000 (2021: RMB21,681,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

4. Revenue (Continued)

Infrastructure Business (Continued)

The ability of the Group to complete the infrastructure projects is dependent on the ability of the Group to obtain independent credit facilities with financial institutions, or other manner of funding. The funding is required to fund construction projects under the PPP agreement/contract. The Group's current operations, whilst funding with a financial institution is being negotiated, is funded by a shareholder of its subsidiary who has been subcontracted to perform the construction work. As a strategic partner, the shareholder is able to delay payment terms until such time the project revenue is paid by the final customer.

Digital Infrastructure Business

The Group embarked on a new business segment namely the Digital Infrastructure business in the current reporting period. The digital infrastructure segment pertains to the provision of customized client database management, monthly maintenance service for the database system, technical support, database security and backup of the system.

The revenue of RMB9,834,000 from digital infrastructure business comprises of RMB2,255,000 for setting up customized e-platform and RMB7,579,000 for monthly maintenance services.

Revenue is recognised when or as it is upon the satisfaction of the customer's acceptance criteria at the completion of each project, which is based on the client acceptance form signed by the client for each completed project.

Business Advisory Service

The revenue of RMB3,487,000 in prior financial year from business advisory service is contributed by a subsidiary – Raffles Infrastructure Capital Limited ("RIC"), which was acquired on 2 November 2020 and fully disposed on 1 June 2021.

5. Other income

	Group	
	2022	**2021**
	RMB'000	**RMB'000**
Interest income- Bank deposits	270	286
Interest income- Unwinding of discount for non-current trade receivables	9,161	7,305
Government grants	75	188
Payables written off*	1,193	–
Other income	57	4
	10,756	7,783

* Payables written off comprise:

(i) a total payable of approximately RMB0.8 million to third parties' professional fees incurred before FY2017, which has been written off during current financial year

(ii) a total payable of approximately RMB0.4 million in relation to the former employee's salaries for FY2021, which has been written off during current financial year.

6. Profit before income tax

Profit before income tax has been arrived at after charging:

	Group	
	2022	2021
	RMB'000	RMB'000
Audit fee	804	725
Professional and legal fees	1,168	958
Depreciation of property, plant and equipment (Note 11)	198	45
Staff costs (Note 7)	3,540	4,417
Rental expenses	112	373

7. Staff costs

	Group	
	2022	2021
	RMB'000	RMB'000
Key management personnel		
- salaries and related cost	1,647	1,389
- directors' fee	1,036	1,059
- employer's contribution to defined contribution plan	130	115
	2,813	2,563
Other than key management personnel		
- salaries and related cost	612	1,704
- employer's contribution to defined contribution plan	115	150
	727	1,854
	3,540	4,417

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

8. Income tax expense

	Group	
	2022	2021
	RMB'000	RMB'000
Current income tax	399	–
Deferred income tax		
- Movement in temporary differences	1,270	1,010
Total	1,669	1,010

The tax expense on the results of the financial year differs from the amount of income tax determined by applying the statutory income tax rates of the respective countries to profit before income tax as a result of the following:

	Group	
	2022	2021
	RMB'000	RMB'000
Profit before income tax	13,334	4,957
Tax at the domestic tax rates applicable to profits in the country where the Group operates (25%) (2021: 25%)	3,334	1,239
Add/(less):		
- Effect of different tax rates	(240)	–
- Effect of non-deductible expenses	671	1,670
- Effect of non-taxable income	(2,096)	(1,899)
Total tax expense	1,669	1,010

The Group's subsidiaries, Raffles (Chengdu) Investment & Development Co., Ltd ("Raffles Chengdu") and Bo Dao Road Construction Co., Ltd ("Bo Dao") in the PRC are subject to the PRC corporate income tax on their taxable profits.

The tax rates applicable to the following companies are as follows:

	Rate
Raffles Chengdu	25.0%
Bo Dao	25.0%
Raffles Digital Infrastructure Pte. Ltd.	17.0%

9. 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	
	2022	2021
	RMB'000	RMB'000
Earnings		
Earnings for the purposes of basic and diluted attributable to equity holders of the Company	10,484	3,031

	Group	
	2022	2021
	No. of shares	No. of shares
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share	67,952	67,952

	2022	2021
Earnings per share (RMB)	0.15	0.04

10. Contract assets

	2022	2021
	RMB'000	RMB'000
Asset recognised from costs incurred to fulfil a contract as at end of the financial year	47,013	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 (Note 2.15). Otherwise, such costs are recognised as an expense immediately.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

11. Property, plant and equipment

Group	Building RMB'000	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	882	–	17	–	899
Currency translation difference	28	–	–	–	28
Balance at 30 June 2022	910	10	59	267	1,246
Balance at 1 July 2020	–	5	19	76	100
Depreciation	–	2	13	30	45
Balance at 30 June 2021	–	7	32	106	145
Depreciation	157	2	9	30	198
Currency translation difference	5	–	–	–	5
Balance at 30 June 2022	162	9	41	136	348
Carrying amount					
Balance at 30 June 2021	–	3	10	161	174
Balance at 30 June 2022	748	1	18	131	898

All property, plant and equipment held by the Group are located in the PRC, except for an office building located in Singapore (Note 22).

12. Investment in subsidiaries

	Company 2022 RMB'000	Company 2021 RMB'000
Unquoted equity shares, at cost	1,016	1,016
Additions[(1)]	5	–
Allowance for impairment loss	(506)	(506)
At end of financial year	515	510

12. Investment in subsidiaries (Continued)

Movements in allowance for impairment loss are as follows:

	Company	
	2022	**2021**
	RMB'000	**RMB'000**
At beginning and at end of financial year	506	506

(1) This is solely pertaining to the investment in PT Raffles Digital Infrastructure Indonesia in which the Company holds a direct 0.1% equity interest. The remaining equity interest of 99.9% is held by Raffles Digital Infrastructure Pte. Ltd.. Therefore, the Group holds 100% of the equity interest in PT Raffles Digital Infrastructure Indonesia.

The details of the subsidiaries are as follows:

Name of subsidiaries	**Country of incorporation/ operation**	**Cost of investment**		**Effective equity interest held by the Company**		**Principal activities**
		2022	**2021**	**2022**	**2021**	
		RMB'000	**RMB'000**	**%**	**%**	
Held by the Company						
Raffles (Chengdu) Investment & Development Co., Ltd. (1) (5)	The People's Republic of China	510	510	100%	100%	Infrastructure, cultural tourism, energy-saving and environmental protection project investment, operation management, technology development and services; investment consultation; investment management.
Raffles Digital Infrastructure Pte. Ltd. (2) (3) (4)	Singapore	–	–	100%	–	Embarks on new digital infrastructure related projects which includes Software as a Service (Saas), Imports/Exports (EXIM), Platform as a Service (PaaS) and Internationalisation Advisory Service.
Raffles Infrastructure Development Holdings Pte. Ltd. (1) (2)	Singapore	–	–	100%	100%	Investment holding company in traditional and digital infrastructure business.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

12. Investment in subsidiaries (Continued)

Name of subsidiaries	Country of incorporation/ operation	Cost of investment		Effective equity interest held by the Company		Principal activities
		2022	2021	2022	2021	
		RMB'000	RMB'000	%	%	
Held by Raffles (Chengdu) Investment & Development Co., Ltd						
Bo Dao Road Construction Co., Ltd. (1) (5) 兴文县僰道公路建设有限责任公司	The People's Republic of China	100,000	100,000	90.91%	90.91%	Road project construction, management, operation and maintenance.
Held by Raffles Digital Infrastructure Pte. Ltd.						
Raffles Digital Infrastructure (Malaysia) Sdn. Bhd (3)	Malaysia	151	–	100%	–	Providing advisory and consultancy services of digital infrastructure, business and system analysis, application support, project management, software solutions, hardware systems and communication technologies.
PT Raffles Digital Infrastructure Indonesia (3)	Indonesia	5,000	-	100%	–	Digital infrastructure programming and consultancy services.
Wuhan Raffles Technology Co., Ltd (3)	China	3,000	–	100%	–	Technological advisory, implementation, development, and maintenance of software including supply chain infrastructure.
Held by Raffles Infrastructure Development Holdings Pte. Ltd.						
Raffles Infrastructure Development Pte. Ltd. (1)	Singapore	506	506	100%	100%	Activities of head and regional head offices, centralised administrative offices and subsidiary management offices.
Held by Raffles Infrastructure Development Pte. Ltd.						
Raffles Infrastructure Development Bangladesh Ltd.	Bangladesh	1,961	1,961	85%	85%	Infrastructure business which is partnership with local government in Bangladesh.

12. Investment in subsidiaries (Continued)

(1) Audited by RT LLP for the purpose of expressing an opinion on the consolidated financial statements.
(2) Cost of investments are less than S$1,000.
(3) Newly incorporated during the year.
(4) Audited by RT LLP.
(5) Not required to be audited under the laws of the country of incorporation.

	2022 RMB'000	2021 RMB'000
Carrying value of non-controlling interests		
Raffles Infrastructure Development Bangladesh Ltd	185	185
Bo Dao Road Construction Co., Ltd	21,577	20,814

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for the subsidiary that has non-controlling interests that are material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	Bo Dao Road Construction Co., Ltd	
	2022 RMB'000	2021 RMB'000
Current		
Assets	107,845	30,965
Liabilities	(189,654)	(191,329)
Net current liabilities	(81,809)	(160,364)
Non-current		
Assets	238,009	303,624
Total non-current assets	238,009	303,624
Net assets	156,200	143,260

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

12. Investment in subsidiaries (Continued)

Summarised financial information of subsidiaries with material non-controlling interests (Continued)

Summarised statement of profit or loss and other comprehensive income

	Bo Dao Road Construction Co., Ltd	
	2022	2021
	RMB'000	RMB'000
Revenue	24,729	21,681
Profit after income tax	12,994	11,875
Total comprehensive income	12,994	11,875
Total comprehensive income allocated to non-controlling interests	1,181	1,079

Summarised cash flows

	Bo Dao Road Construction Co., Ltd	
	2022	2021
	RMB'000	RMB'000
Net cash generated from operating activities	31,623	10,160
Net cash generated from investing activities	–	–
Net cash used in financing activities	(31,846)	(9,496)

Summarised statement of financial position

	Raffles Infrastructure Development Bangladesh Ltd.	
	2022	2021
	RMB'000	RMB'000
Current		
Assets	2,039	2,170
Liabilities	(918)	(977)
Net current liabilities	1,121	1,193
Non-current		
Assets	–	–
Total non-current assets	–	–
Net assets	1,121	1,193

12. Investment in subsidiaries (Continued)

Summarised financial information of subsidiaries with material non-controlling interests (Continued)

Summarised statement of profit or loss and other comprehensive income

	Raffles Infrastructure Development Bangladesh Ltd.	
	2022	**2021**
	RMB'000	**RMB'000**
Revenue	–	–
Loss after income tax	–	(1,094)
Total comprehensive loss	(72)	(1,133)
Total comprehensive loss allocated to non-controlling interests	–	(163)

Summarised cash flows

	Raffles Infrastructure Development Bangladesh Ltd.	
	2022	**2021**
	RMB'000	**RMB'000**
Net cash used in operating activities	(851)	(125)
Net cash from investing activities	–	–
Net cash from/(used in) financing activities	910	(370)

13. Amount due from subsidiaries

	Company	
	2022	**2021**
	RMB'000	**RMB'000**
Current loan account		
- Amount due from a subsidiary	128,000	131,809

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

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FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

14. Trade and other receivables

	Group	
	2022	2021
	RMB'000	RMB'000
Non-current:		
Trade receivables		
- Third parties	221,268	242,820
Other contract assets	12,070	9,010
	233,338	251,830
Current:		
Trade receivables		
- Third parties	63,609	47,823
Deposits	82	19
Value-added tax receivables	668	681
Others	323	159
	64,682	48,682
	298,020	300,512

The currency profiles of the Group's and Company's trade and other receivables are as follows:

	Group	
	2022	2021
	RMB'000	RMB'000
Renminbi	294,334	300,512
United states dollar	3,686	–

Trade receivables mainly pertain to receivables from government authority which will be paid over a 10-years term on straight-line method based on the contract terms and receivables from customers derived from the Digital Infrastructure Business.

15. Prepayments

	Group		Company	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	283	106	76	98

16. Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Cash balances	4	4	–	–
Bank balances	85,634	91,239	36	39
	85,638	91,243	36	39

The effective interest rate of the cash and bank balances of the Group and the Company is 0.6% per annum (2021: 0.6%) per annum. Interest rates reprice at intervals of one to three months.

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	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Renminbi	81,507	90,926	–	–
United states dollars	3,569	–	–	–
Bangladeshi taka	193	205	–	–
Singapore dollar	300	112	36	39
Euro dollar	69	–	–	–
	85,638	91,243	36	39

Cash and cash equivalents of RMB81,507,000 (2021: RMB90,926,000) held in the People's Republic of China are subject to local exchange control regulation. These regulations places restrictions on the amount of currency being exported other than through dividends.

17. Share capital

	Par value	2022 Number of ordinary shares	2021 Number of ordinary shares	2022	2021
	US$	'000	'000	RMB'000	RMB'000
Authorised:					
At 30 June (US$100,000,000)	0.40	250,000	250,000	615,347	615,347

				2022	2021
				USD'000	USD'000
Issued and paid up:					
At 1 July/30 June	0.40	67,960	67,960	27,181	27,181
Equivalent to RMB'000				192,187	192,187

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

17. Share capital (Continued)

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.

18. Treasury shares

	2022	2021	2022	2021
	Number of ordinary shares'000		USD'000	USD'000
Paid up:				
At beginning and end of the financial 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. The amount was subsequently reduced to RMB24,000 due to the share capital reduction on 28 September 2018 (as detailed below) and had 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 had 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.

19. Reserves

	Group		Company	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Share premium	79,908	79,908	79,908	79,908
Share placement	13,179	13,179	13,179	13,179
Currency translation reserves	(2,103)	(2,152)	–	–
Merger reserve	(102,287)	(102,287)	–	–
	(11,303)	(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.

(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.

20. Trade and other payables

	Group		Company	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables				
- Related party	57,131	28,213	–	–
- Third parties	2,272	–	–	–
Accrued expenses	2,662	5,105	597	130
Amount due to directors	699	1,185	374	362
Amount due to non-controlling interest of a subsidiary – Bo Dao	117,365	149,091	–	–
Tax payables	412	–	–	–
Other payables	–	–	705	2,414
Total trade and other payables	180,541	183,594	1,676	2,906

The amounts due to directors and non-controlling interest (NCI) of a subsidiary are non-trade, unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

20. Trade and other payables (Continued)

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 NCI of a subsidiary pertains to amount due by a subsidiary, Bo Dao Road Construction Co. Ltd to its NCI. The amount is non-trade, unsecured, non-interest bearing and repayable on demand.

The currency profiles of the Group's and Company's trade and other payables as at reporting date are as follows:

	Group		Company	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Renminbi	176,697	180,745	–	–
United states dollar	3,173	–	–	–
Bangladeshi taka	8	977	–	–
Singapore dollar	663	1,872	1,676	2,906
	180,541	183,594	1,676	2,906

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

21. Deferred Income Taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same taxation authority. Deferred tax liabilities mainly relate to the infrastructure projects in China which will be taxable only when the project from the sole contract that the Group currently has, are completed and the corresponding receivables have been collected.

The amounts, determined after appropriate offsetting, are shown on the statement of financial position as follows:

	Group	
	30 June 2022	30 June 2021
	RMB'000	RMB'000
Deferred tax liabilities	25,067	23,639
Deferred tax assets	(158)	–
At end of the period	24,909	23,639

21. Deferred Income Taxes (Continued)

Movements in deferred tax liabilities and assets during the financial year (prior to offsetting of balances within the same tax jurisdiction) were as follows:

	Group	
	30 June 2022	30 June 2021
	RMB'000	RMB'000
Deferred tax liabilities		
At beginning of the year	23,639	22,629
Recognised in profit or loss from the infrastructure project in China	1,277	1,010
Recognised in profit or loss due to right-of-use assets in Singapore and China	151	–
At end of the year	25,067	23,639

	Group	
	30 June 2022	30 June 2021
	RMB'000	RMB'000
Deferred tax assets		
At beginning of the year	–	–
Recognised in profit or loss due to lease liabilities in Singapore and China	158	–
At end of the year	158	–

22. Lease Liabilities

The Group also makes annual lease payments for a leasehold land. The right-of-use of the land is classified as property, plant and equipment. Please refer to Note 11.

(a) *Carrying amounts of right-of-use assets ("ROU")*

ROU asset classified within property, plant and equipment:

	Group	
	30 June 2022	30 June 2021
	RMB'000	RMB'000
Building – Singapore office	428	–
Building – China office	320	–
	748	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

22. Lease Liabilities (Continued)

(b) Lease liabilities

	Group	
	30 June 2022	**30 June 2021**
	RMB'000	**RMB'000**
Current		
Building – Singapore office	274	–
Building – China office	168	–
	442	–
Non-current		
Building – Singapore office	144	–
Building – China office	150	–
	294	–
	736	–

(c) Amount recognised in profit or loss

	Group	
	30 June 2022	**30 June 2021**
	RMB'000	**RMB'000**
Depreciation of ROU	157	–
Interest on lease liabilities	18	–
Expense relating to short-term leases	112	373
	287	373

(d) Total cash outflow for the lease was RMB287,000 (2021: RMB373,000)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

23. Significant related party transactions

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same Group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company is itself such a plan, the sponsoring employers are also related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a).

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a Group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Compensation of directors and key management personnel remuneration

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

	Group		Company	
	2022	**2021**	**2022**	**2021**
	RMB'000	**RMB'000**	**RMB'000**	**RMB'000**
Short-term employee benefits	2,813	2,563	1,306	1,059

Included in the key management personnel's remuneration are costs of defined contribution plans for the Group amounting to RMB130,000 (2021: RMB115,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

24. Operating segments

The Group has two revenue streams which comprise the revenue from existing PPP projects in the PRC and the new digital infrastructure business in Singapore.

The business advisory service in Hong Kong has ceased as the subsidiary in Hong Kong was fully disposed on 1 June 2021.

The following is an analysis of the Group's revenue and results by reporting segment:

Group

	Infrastructure Business (RMB'000)	Digital Infrastructure Business (RMB'000)	Total (RMB'000)
FY2022			
Revenue	24,729	9,834	34,563
Gross profit	5,574	4,079	9,653
Other income	9,431	31	9,462
Administrative expenses	(1,017)	(1,336)	(2,353)
Tax expenses	(1,278)	(392)	(1,670)
Unsegment expenses	–	–	(3,427)
Net profit for the year			11,665

	Infrastructure Business (RMB'000)	Business Advisory Service (RMB'000)	Total (RMB'000)
FY2021			
Revenue	21,681	3,487	25,168
Gross profit	5,584	1,285	6,869
Other income	7,593	–	7,593
Administrative expenses	(878)	(1,286)	(2,164)
Tax expenses	(1,010)	–	(1,010)
Unsegment expenses	–	–	(7,341)
Net profit for the year			3,947

24. Operating segments (Continued)

The following is an analysis of the Group's assets and liabilities results by reporting segment:

	Infrastructure Business (RMB'000)	Digital Infrastructure Business (RMB'000)	Others (RMB'000)	Total (RMB'000)
30 June 2022				
Reportable segment assets				
- China	422,915	–	–	422,915
- Singapore	–	8,713	–	8,713
- Others	–	–	382	382
	422,915	8,713	382	432,010
Reportable segment liabilities				
- China	200,178	–	–	200,178
- Singapore	–	4,060	–	4,060
- Others	–	–	2,106	2,106
	200,178	4,060	2,106	206,344
30 June 2021				
Reportable segment assets				
- China	334,516	–	–	334,516
- Singapore	–	–	–	–
- Others	–	–	86,679	86,679
	334,516	–	86,679	421,195
Reportable segment liabilities				
- China	191,311	–	–	191,311
- Singapore	–	–	–	–
- Others	–	–	15,922	15,922
	191,311	–	15,922	207,233

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

25. 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	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
At amortised cost	382,990	391,074	128,036	131,848
Financial liabilities				
At amortised cost	180,983	183,594	1,676	2,906

26. Financial risk management

The Group's activities expose it to credit risks, market risks (including foreign currency risks and interest rate risks) and liquidity risks. The Group's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

There have been no changes to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

Credit risks

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash), the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

26. Financial risk management (Continued)

Credit risk (Continued)

To minimise credit risk, the Group has developed and maintained the Group's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Group's own trading records to rate its major customers and other debtors. The Group considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic
- conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

26. Financial risk management (Continued)

Credit risk (Continued)

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Group						
30 June 2022						
Trade receivables	14	Note 1	Lifetime ECL (simplified)	284,877	–	284,877
Other receivables	14	I	12-month ECL	12,475	–	12,475
					–	
30 June 2021						
Trade receivables	14	Note 1	Lifetime ECL (simplified)	290,643	–	290,643
Other receivables	14	I	12-month ECL	9,188	–	9,188
					–	

26. Financial risk management (Continued)

Credit risk (Continued)

	Note	Category	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
Company						
30 June 2022						
Amount due from subsidiaries	13	I	12-month ECL	128,000	–	128,000
30 June 2021						
Amount due from subsidiaries	13	I	12-month ECL	131,809	–	131,809

Trade receivables (Note 1)

For trade receivables pertaining to infrastructure business, the management considers the credit risk on trade receivables to be limited because the counterparty is a provincial government authority of China. As mentioned in Note 3.2(iii), 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.

For trade receivables pertaining to digital infrastructure business, the Group has applied the simplified approach in SFRS(I) 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL by using an individual (debtor-by-debtor) basis. ECL is estimated based on historical credit loss experience based on the past due status of debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The Group's considers that all the receivables that are not impaired or past due for each reporting dates under review are of good credit quality.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

Credit exposure to an individual customer is restricted by the credit limit approved by the credit controller. Customers' payment profile and credit exposure are continuously monitored by the credit controller and reported to the management and Board of Directors. The Group's trade receivables include 4 debtors (2021: 1 debtor) that collectively represented 100% (2021: 100%) of trade receivables at reporting date.

The Group's concentration of credit risk by geographical locations is mainly at the PRC, which accounts for 98% (2021: 100%) of the total trade receivables as at year end.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

26. Financial risk management (Continued)

Market risks

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

Foreign currency risks

The Group transacts business in currencies, other than the respective functional currency of the Group entities, and hence is exposed to foreign currency risks.

At present, the Group does not have any formal policy for hedging against exchange exposure.

Currently, the PRC government imposes control over foreign currencies. RMB, the official currency of PRC is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through authorised financial institutions.

The carrying amounts of the Group's and Company's foreign currency denominated monetary assets and monetary liabilities as at the end of the financial year are as follows:

	Group				Company	
	United States dollar	Singapore dollar	Bangladeshi taka	Euro	RMB	Singapore dollar
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	SGD'000
2022						
Cash and cash equivalents	3,569	300	193	69	36	7
Trade and other payables	(3,173)	(663)	(8)	–	–	–
	396	(363)	185	69	36	7
2021						
Cash and cash equivalents	–	112	205	–	39	8
Trade and other payables	–	(1,872)	(977)	–	–	–
	–	(1,760)	(772)	–	39	8

26. Financial risk management (Continued)

Market risks (Continued)

Foreign currency risks (Continued)

Foreign currency sensitivity analysis

The Group and Company are mainly exposed to Singapore dollar (SGD) and Bangladeshi taka (Taka).

The following table details the Group's sensitivity to a 10% change in USD, SGD and Taka against RMB, and the Company's sensitivity to a 10% change in USD, SGD and Taka against RMB in FY 2022 and FY2021. The sensitivity analysis assumes an instantaneous 10% change in the foreign currency exchange rates at the end of the financial year with all variables held constant.

	Increase/(Decrease)			
	Group		Company	
	Profit or loss			
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	SGD'000
USD				
Strengthens against RMB	40	–	–	–
Weakens against RMB	(40)	–	–	–
SGD				
Strengthens against RMB	(36)	(176)	4	4
Weakens against RMB	36	176	(4)	(4)
Taka				
Strengthens against RMB	19	(77)	–	–
Weakens against RMB	(19)	77	–	–
Euro				
Strengthens against RMB	7	–	–	–
Weakens against RMB	(7)	–	–	–

Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Group does not expect any significant effect on the Group's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

NOTES TO THE FINANCIAL STATEMENTS

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26. Financial risk management (Continued)

Liquidity risks

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The following table details the Group's remaining contractual maturity for its non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group is expected to receive or (pay). The table includes both interest and principal cash flows.

	Less than 1 year RMB'000
Group	
Undiscounted Financial Assets	
Cash and bank balances	85,638
Trade and other receivables	63,609
As at 30 June 2022	149,247
Cash and bank balances	91,243
Trade and other receivables	47,823
As at 30 June 2021	139,066
Undiscounted Financial Liabilities	
Lease liabilities	442
Trade and other payables	180,541
As at 30 June 2022	180,983
Trade and other payables as at 30 June 2021	183,594

26. Financial risk management (Continued)

Liquidity risks (Continued)

	Less than 1 year RMB'000
Company	
Undiscounted Financial Assets	
Cash and bank balances	36
Amount due from subsidiaries	128,000
As at 30 June 2022	128,036
Cash and bank balances	39
Amount due from a subsidiary	131,809
As at 30 June 2021	131,848
Undiscounted Financial Liabilities	
Trade and other payables as at 30 June 2022	1,676
Trade and other payable as at 30 June 2021	2,906

27. Fair value of assets and liabilities

Cash and cash equivalents, trade receivables (current), other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables (non-current)

The fair values of non-current trade receivables are computed based on future cash flows discounted at the prevailing 1, 2, 3, 5, 7 and 10-years China Government Bond Yield rates. As there are no material differences between those rates prevailing as at 30 June 2022 and those corresponding rates prevailing as at 30 June 2021, 30 June 2020 and 30 June 2019, the carrying amounts of non-current trade receivables as at 30 June 2022 and 30 June 2021 approximate their fair values.

Trade payables

The carrying amounts of trade payables approximate its fair values as it is subject to normal trade credit terms.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

28. Acquisition/Disposal of subsidiaries and non-controlling interests

(a) Acquisition and disposal of a subsidiary

On 2 November 2020, the Group acquired 100 new shares issued by Raffles Infrastructure Capital Limited ("RIC") with HKD1.00 per share, for a consideration of HKD100. The shares acquired formed 50% of the issued share capital of RIC. This transaction had been accounted for by the acquisition method of accounting until 31 March 2021.

Details of the acquisition are as follows:

	RMB
Consideration paid (equivalent to HKD100)	85
<u>Less: Assets acquired and liabilities assumed</u>	
Cash and bank balances	221
Other receivables	172
Total assets	393
Other payables	(206)
Total liabilities	(206)
Total identifiable net assets	187
Less: Non-controlling interest	(94)
	93
Bargain purchase	(8)

Management has not recognised the above amounts in the financial statements since all the above amounts are individually less than RMB1,000 and are thus immaterial to the Group.

On 1 April 2021, the total number of shares in RIC was enlarged from 200 shares to 700 shares by allotting an additional 500 shares to a third party. As a result, the Company's equity interest in RIC was diluted from 50% to 14.29% and RIC is from that date, accounted for as equity investment at fair value through profit and loss.

28. Acquisition/Disposal of subsidiaries and non-controlling interests (Continued)

(a) Acquisition and disposal of a subsidiary (Continued)

Analysis of the deemed disposal of RIC:

	RMB
Less: Assets and liabilities at date of deemed disposal	
Cash and bank balances	41,009
Other receivables	960,701
Total assets	1,001,710
Other payables	(1,002,295)
Total liabilities	(1,002,295)
Total identifiable net liabilities	(585)
Less: Non-controlling interest	293
Net liabilities disposed of	(292)
Gain on deemed disposal	(292)

Management has not recognised the above amounts in the financial statements as they are immaterial to the Group.

Subsequently, the Company disposed its 14.29% shares in RIC at a cash consideration of HK$100 to a third party upon the Sales and Purchase agreement signed on 1 June 2021.

(b) Non-controlling interests

On 30 November 2020, the Company has entered into a joint venture agreement with Cupertino Power Ltd ("CPL"). The Company has formed a joint venture company named as Raffles Infrastructure Development Bangladesh Ltd ("RIDB") through its wholly-owned subsidiary, Raffles Infrastructure Development Pte. Ltd., ("RIDPL") (formerly known as Raffles Infrastructure Investments (Singapore) Pte. Ltd) with CPL to develop a Trust Green City Township Development project ("Project") in Bangladesh.

RIDB is an indirect subsidiary of the Company, with RIDPL holding 85% of all the issued share capital of RIDB.

Details of the formation of RIDB are as follows:

	RMB'000
Net cash inflow at the date of acquisition:	
Share capital contribution from non-controlling interest on incorporation of a subsidiary - Raffles Infrastructure Development Bangladesh Ltd	348

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

29. Capital management policies and objectives

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value.

The Group's management reviews the capital structure on an annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital. Upon review, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-backs as well as the issue of new debt or the redemption of existing debt. The Group's overall strategy remains unchanged from 2021.

The review of the Group's capital risk management policies and objectives is conducted by the Audit Committee and the Board of Directors.

The Group and the Company are in compliance with externally imposed capital requirements for the financial years ended 30 June 2022 and 30 June 2021.

The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents and amount due from a subsidiary.

	Group		Company	
	2022	2021	2022	2021
	RMB'000	RMB'000	RMB'000	RMB'000
Net debt	94,903	92,351	(126,360)	(128,942)
Total equity	225,666	213,962	126,951	129,550
Gearing ratio	42%	43%	N.M*	N.M*

* N.M – Not meaningful

30. Significant events during the current financial year

New Business Segment

With the existing roadway construction project in the PRC still on-going, the Group has opened a new chapter by developing a digital infrastructure market in ASEAN countries which is spurred by the rapid demand in technology and digitalization regionally and globally. Please refer to the following business updates since the Company embarks on its new digital infrastructure business as announced on 22 December 2021.

Incorporation of subsidiaries

(i) On 29 December 2021, the Company announced, *inter alia*, that it has incorporated a wholly owned subsidiary, Raffles Digital Infrastructure Pte. Ltd., ("Raffles Digital") with an issued and paid-up share capital of S$2 comprising 2 ordinary shares. The principal activity of Raffles Digital is in the development of software, hosting and management of big data.

As disclosed in Note 24 of these financial statements, RDI generated revenue of RMB9.8 million in the current financial year. The revenue is mainly derived from the development of a one stop platform for Micro and Small Enterprises ("MSEs") by providing them with strategic business expertise and equipping them with digitalization capabilities in a cost effective way.

30. Significant events during the current financial year (Continued)

New Business Segment (Continued)

***<u>Incorporation of subsidiaries</u>* (Continued)**

(ii) In line with the Group's business strategy to venture into the digital infrastructure business in the ASEAN region, RDI has also newly incorporated three new subsidiaries as follows:

- Raffles Digital Infrastructure (Malaysia) Sdn. Bhd. ("RDI Malaysia") with an issued and paid-up share capital of RM ("Ringgit Malaysia")1 comprising 100,000 ordinary shares. The principal of RDI Malaysia is to provide advisory and consultancy services in digital infrastructure, business and system analysis, application support, project management, software solutions, hardware systems and communication technologies.

- PT. Raffles Digital Infrastructure Indonesia ("RDI Indonesia") with an issued and paid-in capital of Rp ("Indonesian Rupiah") 1,000,000 comprising 10,000 shares. The principal of RDI Indonesia is to provide the digital infrastructure programming and consultancy services.

- Wuhan Raffles Technology Co., Ltd ("RDI Wuhan") with a registered capital of RMB3 million. The principal of RDI Wuhan is to provide the technological advisory, implementation, development, and maintenance of software including supply chain infrastructure.

<u>Business Partnership Agreements</u>

(i) As announced on 1 March 2022, Raffles Digital entered into a Memorandum of Understanding for Technology Provider (the "MOU") and Partnership Agreement (the "Partnership Agreement") (collectively, the "MOU and Partnership Agreement") with KPM Securities Company Limited ("KPM"), a financial institution incorporated in Thailand, to establish the preliminary framework towards a partnership to jointly develop and provide technology services in Thailand.

Currently Raffles Digital will be focusing on providing digitalization product offerings in Software as a Services (SaaS) and Platform as a Service (PaaS). These may include cloud database management systems, APIs to automate and synchronize business systems, web apps, and customer relationship management system.

(ii) Raffles Digital has, on 25 February 2022, entered into a Memorandum of Understanding for Technology Provider (the "MOU") and Partnership Agreement (the "Partnership Agreement") (collectively, the "MOU and Partnership Agreement") with VC Wealth Company Limited ("VC Wealth"), a financial institution incorporated in Thailand, to establish the preliminary framework towards a Partnership Agreement to jointly develop and provide technology services in Thailand.

The purpose of the MOU and Partnership Agreement is to establish a preliminary framework for the mutual development and provision of the parties' services for the parties' respective platforms and clients. The Partnership Agreement does not create any exclusive, proprietary or naming rights over Raffles Digital's services and/or any other service of Raffles Digital, subsidiary, and/or technology;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

30. Significant events during the current financial year (Continued)

New Business Segment (Continued)

<u>Business Partnership Agreements</u> (Continued)

(iii) On 15 February 2022, the Company announced the collaboration between Raffles Digital and Digital Treasures Centre Pte. Ltd., a Singapore digital payment gateway service provider, to jointly develop new businesses internationally especially in the crypto to fiat payment technology systems and services. The Board is supportive and is looking forward to seeing a fruitful collaboration between the Company and DTC in developing new relevant blockchain technologies and digital infrastructure in the Southeast Asia region.

(iv) On 20 April 2022, the Company announced that Raffles Digital entered into a strategic partnership with PT E2Pay Global Utama ("E2Pay") to expand the digital business market in Indonesia. Under this strategic partnership agreement, E2Pay will serve as Raffles Digital's strategic payment gateway partner that delivers digital payment solutions to the Company's merchants and services in Indonesia. Coupled with the business advisory services that Raffles Digital provides, the presence of E2Pay as our strategic payment gateway partner sets a robust foundation for the expansion of our clients. Furthermore, this partnership allows E2Pay to leverage on Raffles Digital's international network to expand its services beyond Indonesia. Raffles Digital is committed to providing the relevant support to our business partner to ensure it effectively expands and establishes a foothold in more markets internationally. Therefore, the agreement will bring a win-win situation that both parties are seeking through corporation and expansion.

Updates on existing project – Trust Green City Township Development project ("Project")

As announced on 2 March 2022 and 12 September 2022 for the update on Trust Green City Township Development project in Bangladesh, the Company, under the advice of the legal adviser, has officially written to the Bangladesh Army Welfare Trust ("AWT") and its concerned party, Trust Green City ("TGC"), seeking for a conclusion on the termination of agreement. As at the date of the report, the Company is still pending a response from AWT and will update shareholders as and when there is any material development in relation to this matter.

However, the Company does not foresee any material impact on the Group's financial results since the Project is still in very preliminary stage without any significant costs incurred. The Company will make the necessary announcements in compliance with the Listing Manual as and when appropriate and where there are material developments.

Update on Extension of Time To Meet The Requirements To Exit From The Watch-list Under Listing Rule 1314

On 10 May 2022, the Company announced that the SGX-ST has, on 9 May 2022, indicated that it has no objection ("No-Objection Notification") to the Company's application for extension of time to 5 June 2023 (the "Waiver"). Pursuant to the No-Objection Notification, the Company has been granted an extension of 12 months from 5 June 2022 to 5 June 2023 to comply with the Watch list exit criteria under Listing Rules 1314 and 1315 subject to the Waiver Conditions.

STATISTICS OF SHAREHOLDINGS

AS AT 22 SEPTEMBER 2022

DISTRIBUTION OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 99	95	13.46	5,612	0.01
100 - 1,000	131	18.55	59,676	0.09
1,001 - 10,000	326	46.18	1,272,772	1.87
10,001 - 1,000,000	145	20.54	11,105,085	16.34
1,000,001 AND ABOVE	9	1.27	55,508,438	81.69
Total	**706**	**100.00**	**67,951,583**	**100.00**

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE. LTD.	13,924,833	20.49
2	YUANITA TJIA	12,000,000	17.66
3	PHILLIP SECURITIES PTE. LTD.	11,239,558	16.54
4	SU WANRU	5,250,002	7.73
5	DBS NOMINEES (PRIVATE) LIMITED	4,104,333	6.04
6	RAFFLES FINANCIAL PTE. LTD.	3,000,000	4.41
7	SOLIGNY BRUNO LUDOVIC	2,272,712	3.34
8	UOB KAY HIAN PRIVATE LIMITED	2,050,333	3.02
9	NALI LIMITED	1,666,667	2.45
10	LEE GUAN HUAT	667,100	0.98
11	ONG SING ENG	511,782	0.75
12	S M HARUN-UR-RASHID KHAN	470,000	0.69
13	IFAST FINANCIAL PTE. LTD.	415,300	0.61
14	ONG HOCK SIONG @ BENNY ONG HOCK SIONG	400,000	0.59
15	RAMESH S/O PRITAMDAS CHANDIRAMANI	380,000	0.56
16	LIM CHIN CHOO @ELIZABETH LIM	269,220	0.40
17	BOON SUAN AIK	250,000	0.37
18	TAN ENG CHUA EDWIN	245,420	0.36
19	CHIA MUI HOCK	237,000	0.35
20	TANG KOK GUEN	235,000	0.35
	Total	**59,589,260**	**87.69**

STATISTICS OF SHAREHOLDINGS

AS AT 22 SEPTEMBER 2022

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	No. of Shares		
Name of Substantial Shareholders	**Direct Interest**	**Deemed Interest**	**%**
Magic Micro Co., Ltd	13,799,833	–	20.31
Wellgain International Holdings Limited	9,044,186	–	13.31
Wu Xinhua [(1)]	–	9,044,186	13.31
Su Wan Ru	5,250,002	–	7.73
Yuanita Tjia	12,000,000	–	17.66

Notes:

(1) Wu Xinhua is the legal and beneficial owner of all the issued and paid-up share capital of Wellgain International Holdings Limited ("Wellgain"). Accordingly, he is deemed interested in the 49,044,186 shares held by Wellgain. Wellgain's interests in the 9,044,186 shares are held by Philip Securities Pte. Ltd. as nominee.

SHAREHOLDINGS HELD IN THE HANDS OF PUBLIC

Based on information available to the Company as at 22 September 2022, 40.99% of the issued ordinary shares of the Company is held by the public and therefore Rule 723 of the Listing Manual is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Raffles Infrastructure Holdings Limited (the "**Company**") will be convened and held by way of electronic means on 31 October 2022 at 2.00 p.m. (Singapore Time) for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 June 2022 together with the Independent Auditors' Report thereon. **(Resolution 1)**

2. To approve the payment of Directors' fees of S$180,000 for the financial year ending 30 June 2023 (2022: S$240,000.00). **(Resolution 2)**

3. To re-elect Mr. Chay Yiowmin who is retiring pursuant to Bye-law 85(6) of the Company **(Resolution 3)**

   Mr. Chay Yiowmin will, upon re-election, remain as the Lead Independent Director, Chairman of the Audit Committee, and Member of the Nominating Committee and Remuneration Committee.

4. To re-elect Ms. Yuanita Tjia who is retiring pursuant to Bye-law 85(6) of the Company **(Resolution 4)**

   Ms. Yuanita Tjia will, upon re-election, remain as Non-Executive Non-Independent Director, Member of the Audit Committee, Nominating Committee and Remuneration Committee.

5. To re-elect Ms. Chen Meiyun, Agnes who is retiring pursuant to Bye-law 85(6) of the Company **(Resolution 5)**

   Ms. Chen Meiyun, Agnes will, upon re-election, remain as an Independent Director, Chairman of the Remuneration Committee, and Member of the Audit Committee and Nominating Committee.

6. To re-elect Mr. Ryan Chiu Tzong Min who is retiring pursuant to Bye-law 85(6) of the Company **(Resolution 6)**

   Mr. Ryan Chiu Tzong Min will, upon re-election, remain as an Executive Director and Deputy Chief Executive Officer of the Company.

7. To re-appoint Messrs RT LLP as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

8. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

9. **Authority to allot and issue shares in the capital of the Company ("Shares") - Share Issue Mandate**

"That, pursuant to the Companies Act of Bermuda, the Company's Bye-Laws and Rule 806 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

(A) (i) allot and issue shares in the capital of the Company (the "**Shares**") (whether by way of rights, bonus or otherwise); and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require new Shares to be allotted and issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company shall in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) allot and issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and convertible securities to be allotted and issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as at the time of passing of this Resolution);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and convertible securities that may be allotted and issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

Any adjustments made in accordance with sub-paragraphs (2)(a) and (2)(b) above shall only be made in respect of new Shares arising from convertible securities and Instruments which were issued and outstanding and/or subsisting at the time of the passing of this Resolution.

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST as amended from time to time (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority conferred by this Resolution shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is the earlier." **(Resolution 8)**
[See Explanatory Note (i)]

By Order of the Board
Raffles Infrastructure Holdings Limited

Ryan Chiu Tzong Min
Executive Director and Deputy Chief Executive Officer

14 October 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) The Ordinary Resolution 8 proposed in item 9 above, if passed, will empower the Directors of the Company to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution 9 is passed after adjusting for new Shares arising from the exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when Ordinary Resolution 9 is passed, and any subsequent bonus issue, consolidation or subdivision of shares.

Important Notes to Shareholders:

1. **Printed copies of this Notice of AGM, the Proxy Form and the annual report of the Company for the financial year ended 30 June 2022 ("FY2022 Annual Report") will not be sent to Shareholders of the Company**. This Notice of AGM, the Proxy Form and the FY2022 Annual Report may be accessed at the Company's website at the URL https://rafflesinfrastructure.com/ and are also available on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

2. **The AGM will be held by way of electronic means, shareholders of the Company will not be able to attend the AGM in person. A member of the Company who wishes to exercise his/her/its voting rights at the AGM may vote live via electronic means at the AGM, or appoint a proxy (other than the Chairman of the AGM) or appoint the Chairman of the AGM, as his/her/its proxy to vote on his/her/its behalf at the AGM**. In appointing the Chairman of the AGM, a member (whether individual or corporate) of the Company must give specific instructions as to voting, or abstentions from voting, in respect of a resolution, failing which the appointment of proxy for that resolution will be treated as invalid.

   Shareholders who wish to vote live via electronic means at the AGM or appoints a proxy (other than the Chairman of the AGM) to vote on his/her/its behalf at the AGM must pre-register themselves or their proxy in accordance with Note 3 below.

3. Shareholders of the Company who wish to attend the AGM electronically or have their appointed proxy (other than the Chairman of the AGM) attend the AGM electronically, may do so through the live audio-visual webcast or the live audio-only stream via their mobile phones, tablets or computers and must pre-register at the URL https://septusasia.com/rihlagm2022 by **2.00 p.m. (Singapore Time), on Friday, 28 October 2022** (that is, not less than 72 hours before the time fixed for holding the AGM) to enable the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., to authenticate their status as Shareholders of the Company.

   Upon successful authentication, each such member of the Company or their appointed proxy (other than the Chairman of the AGM) will receive an email with instructions to access the live audio-visual webcast or the live audio-only stream (the "**Confirmation Email**") by **12.00 p.m. on Sunday, 30 October 2022**. Only Shareholders of the Company or their appointed proxy (other than the Chairman of the AGM) who have been successfully authenticated will be entitled to access the live audio-visual webcast or the live audio-only stream. Shareholders of the Company or their appointed proxy (other than the Chairman of the AGM) who have pre-registered but have not received the Confirmation Email by **12.00 p.m. (Singapore Time) on Sunday, 30 October 2022** should contact the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at shareregistry@incorp.asia as soon as practicable.

4. Shareholders of the Company may submit questions relating to the resolutions tabled for approval at the AGM, together with their full name (as per CDP/Scrip-based records), identification number (e.g. NRIC/Passport/Company Registration Number), shareholding type (e.g. CDP/Scrip-based), email address and contact number to enable the Company (or its agents or service providers) to authenticate their status as Shareholders of the Company, in the following manner:

   (a) by email to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at shareregistry@incorp.asia; or

   (b) by post to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or

   (c) during pre-registration via the pre-registration URL,

   in any case, by **2.00 p.m. (Singapore Time), on Friday, 21 October 2022**.

NOTICE OF ANNUAL GENERAL MEETING

The Company will endeavour to address all substantial and relevant questions (determined by the Company in its sole discretion) received by **2.00 p.m. (Singapore Time), on Wednesday, 26 October 2022** (that is, at least 72 hours prior to the closing date and time for the lodgement of the Proxy Forms), which will be published on the Company's website at the URL https://rafflesinfrastructure.com/ and SGXNet at the URL https://www.sgx.com/securities/company-announcements.

Real-time communications functions will also be available to allow Shareholders of the Company or their appointed proxy (other than the Chairman of the AGM) to raise questions by typing your questions in the text box at the AGM during the live audio-visual webcast.

5. The duly appointed proxy, including the Chairman of the AGM acting as proxy, need not be a member of the Company.

6. A member of the Company who wishes to submit a Proxy Form must first download, complete and sign the Proxy Form before submitting it to the Company in the following manner:

   (a) by email to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at shareregistry@incorp.asia; or

   (b) by post to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712,

   in either case, by **2.00 p.m. (Singapore Time), on Saturday, 29 October 2022** (that is, not less than 48 hours before the time fixed for holding the AGM). Shareholders of the Company are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Singapore Share Transfer Agent via email.

   The Proxy Form must be signed by the appointor or his attorney duly authorised in writing. Where the Proxy Form is executed by a corporation, it must be either under its common seal or signed on its behalf by a duly authorised officer or attorney. Where the Proxy Form is signed on behalf of the appointor by an attorney, the power of attorney appointing the attorney or other authority, or a notarized or certified true copy thereof, if any, under which the Proxy Form is signed must be lodged with the Proxy Form, failing which the Company shall be entitled to regard the Depositor Proxy Form as invalid.

7. A Depositor's name must appear on the Depository Register as at 72 hours before the time fixed for holding the AGM in order for the Depositor to be entitled to access the live audio-visual webcast or the live audio-only stream. The Company may reject the Proxy Form if the member, being the appointor, is not shown to have shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the meeting, as certified by The Central Depository (Pte) Limited to the Company.

   The Company shall be entitled to reject the Proxy Form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form (such as in the case where the appointor submits more than one (1) Proxy Form).

   Shareholders who hold their Shares through a Relevant Intermediary (as defined in section 181 of the Companies Act 1967) should not use the Proxy Form and should contact their relevant intermediaries as soon as possible to specify voting instructions.

8. The Company will publish the minutes of the AGM on the Company's website at the URL https://rafflesinfrastructure.com/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements within one month after the date of the AGM.

9. As the COVID-19 situation in Singapore continues to evolve, Shareholders of the Company are advised to read the Government of Singapore's "COVID-19: Advisories for Various Sectors" at the URL https://www.gov.sg/article/covid-19-sector-specific-advisories, including the health advisories issued by the Ministry of Health. The Company will monitor the situation and reserves the right to take further measures as appropriate in order to comply with the various government and regulatory advisories. Any changes to the manner of conduct of the AGM will be announced on the Company's website at the URL https://rafflesinfrastructure.com/ and on SGXNET at the URL https://www.sgx.com/securities/company-announcements.

NOTICE OF ANNUAL GENERAL MEETING

Summary of Key Dates and Times

Dates and Times	Action to be taken by Shareholders of the Company
By 2.00 p.m. (Singapore Time) on Friday, 21 October 2022	**Deadline for Shareholders to submit questions.** Shareholders of the Company may submit questions relating to the ordinary resolution tabled for approval at the AGM in the following manner: (a) by email to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at shareregistry@incorp.asia; or (b) by post to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712; or (c) during pre-registration via the pre-registration URL https://septusasia.com/rihlagm2022. Shareholders will be able to raise questions at the AGM during the live audio-visual webcast.
By 2.00 p.m. (Singapore Time) on Wednesday, 26 October 2022	**Addressing questions.** The Company will endeavour to address all substantial and relevant questions received from Shareholders relating to the Ordinary Resolution set out in the Notice of AGM by Wednesday, 26 October 2022, which will be published on the Company's website at the URL https://rafflesinfrastructure.com/ and SGXNet at the URL https://www.sgx.com/securities/company-announcements.
By 2.00 p.m. (Singapore Time) on Friday, 28 October 2022	**Deadline for pre-registration.** Shareholders of the Company must pre-register at the URL https://septusasia.com/rihlagm2022 should they wish to attend the AGM by electronic means either personally or through their proxies.
By 2.00 p.m. (Singapore Time) on Saturday, 29 October 2022	**Deadline for submission of Proxy Forms.** Shareholders of the Company to submit the completed and signed Proxy Forms in the following manner: (a) by email to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at shareregistry@incorp.asia; or (b) by post to the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street, #19-08 Prudential Tower, Singapore 049712. Shareholders of the Company are strongly encouraged to submit the completed and signed Proxy Forms to the Company's Singapore Share Transfer Agent via email.
By 12.00 p.m. (Singapore Time) on Sunday, 30 October 2022	**Confirmation of pre-registration.** Shareholders of the Company or their appointed proxy (other than the Chairman of the AGM) who have been successfully authenticated will receive an email with instructions to access the live audio-visual webcast or the live audio-only stream (the "**Confirmation Email**"). Shareholders of the Company or their appointed proxy (other than the Chairman of the AGM) who have pre-registered but have not received the Confirmation Email by this date and time should contact the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at shareregistry@incorp.asia as soon as practicable.
At 2.00 p.m. (Singapore Time) on Monday, 31 October 2022	**AGM.** Shareholders of the Company or their appointed proxy (other than the Chairman of the AGM) may access the live audio-visual webcast or the live audio-only stream using the instructions set out in the Confirmation Email. **Live voting.** Shareholders or their appointed proxy (other than the Chairman of the AGM) may vote on the ordinary resolutions tabled at the AGM by real-time electronic voting.
By 2.00 p.m. (Singapore Time) on Wednesday, 30 November 2022	**Minutes of AGM.** The Company will publish the minutes of AGM on the Company's website at the URL https://rafflesinfrastructure.com/ and on SGXNet at the URL https://www.sgx.com/securities/company-announcements within one month after the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Personal Data Privacy:

By attending the Annual General Meeting of the Company and/or any adjournment thereof and/or submitting the Proxy Form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting of the Company and/or any adjournment thereof, a member of the Company (a) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing and administration by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting of the Company (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting of the Company (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), and (b) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (c) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr. Chay Yiowmin, Ms. Yuanita Tjia, Mr. Ryan Chiu Tzong Min and Ms. Chen Meiyun, Agnes will be seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 31 October 2022 ("**AGM**") (collectively, the "**Retiring Directors**" and each a "**Retiring Director**").

Pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, the following is the information relating to the Retiring Directors as set out in Appendix 7.4.1 to the Listing Manual of the SGX-ST:

	Chay Yiowmin	**Yuanita Tjia**
Date of Appointment	13 December 2021	13 December 2021
Date of last re-appointment	Not applicable	Not applicable
Age	48	40
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors, having considered the recommendation of the Nominating Committee, and having reviewed the recommendation of Nominating Committee and the qualifications and working experience of Mr. Chay Yiowmin, is of the view that he has the requisite experience and capabilities to assume the responsibilities as the Non-Executive Lead Independent Director of the Company. Accordingly, the Board of Directors has approved the appointment of Mr. Chay Yiowmin as the Non-Executive Lead Independent Director of the Company.	The Board of Directors, having considered the recommendation of the Nominating Committee, and having reviewed the recommendation of Nominating Committee and the qualifications and working experience of Ms. Yuanita Tjia, is of the view that she has the requisite experience and capabilities to assume the responsibilities as the Non-Executive Non-Independent Director of the Company. Accordingly, the Board of Directors has approved the appointment of Ms. Yuanita Tjia as the Non-Executive Non-Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Lead Independent Director, Chairman of the Audit Committee, and Member of the Nominating Committee and Remuneration Committee	Non-Independent Director, Member of the Audit Committee, Nominating Committee and Remuneration Committee

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chay Yiowmin	Yuanita Tjia
Professional qualifications	• Institute of Chartered Accountants in England and Wales (ICAEW) – Associate Chartered Accountant • University of Birmingham – Master, Business Administration • Nanyang Technological University – Bachelor of Accountancy and Master of Business Administration • Institute of Valuers and Appraisers of Singapore (IVAS) – Chartered Valuer and Appraiser (CVA) • Institute of Singapore Chartered Accountants (ISCA) – Fellow Chartered Accountant of Singapore (FCA Singapore)	• National University of Singapore – Bachelor of Business Administration
Working experience and occupation(s) during the past 10 years	Mar 2019 to Present: Founder and CEO of Chay Corporate Advisory Pte. Ltd. Jan 2020 to Present: Associate Lecturer of Singapore University of Social Sciences Dec 1997 to Dec 2020: Finance Manager of C C Chay & Associates Pte. Ltd. Dec 2012 to Mar 2019: Partner and Head of Corporate Finance of BDO 2010 to 2015: Trainer of Institute of Singapore Chartered Accountants (ISCA) Jan 2009 to Jun 2012: Partner and Head of Financial Services of Moore Stephens LLP	May 2013 to Present: Managing Director of Cap 1 Financial Pte. Ltd. May 2016 to Present: Founder of Belt and Road Investment Management Advisory Pte. Ltd. Oct 2016 to Present: Strategic Director of Luminious Dental Holdings Group Pte. Ltd. Aug 2019 to Apr 2020: Chief Advisor of Changjiang Technology Pte. Ltd. May 2016 to Jun 2020: Director of Cap One Financial Pte. Ltd. Feb 2006 to Apr 2013: Director, Corporate Division of Global Financial Markets Sales (Standard Chartered Bank, Singapore)
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chay Yiowmin	Yuanita Tjia
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	Yes	Yes
Past (for the last 5 years)	• Citicode Ltd. (fka Advance SCT Limited) • R.S. Platou Finans Singapore Pte. Ltd. (Struck Off) • Seafox Asia Pacific Management Pte. Ltd. • Seafox Asia Pacific Pte. Ltd. • Chaspark Maritime Holdings Pte. Ltd. • Chaspark Maritime Pte. Ltd. • Global Air Compass Singapore Pte. Ltd. (Struck Off) • He Rui Feng Trading (Singapore) Pte. Ltd. (Struck Off) • Dahua Technology Singapore Pte. Ltd. • Jampur Far East Pte. Ltd. • TSU Investment Pte. Ltd. • Voxpace Pte. Ltd. • Libra Group Limited • Nelson G Advisory Pte. Ltd. (Struck Off) • CCA Fund Services Pte. Ltd. • American Ethane Capital Pte. Ltd. • Vanfoankang Investment Pte. Ltd. (Struck Off) • Vanbo Investments Pte. Ltd. • Vanbo Management Pte. Ltd. • Wanglongxingye Holdings Pte. Ltd. • Ksenja Pte. Ltd. • Vanfo Hino Holdings Pte. Ltd. • Mary Chia Holdings Limited	• Changjiang Technology Pte. ltd. • Cap One Financial Limited • Global Financial Markets Sales Standard Chartered Bank, Singapore

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chay Yiowmin	Yuanita Tjia
Present	• Chay Corporate Advisory Pte. Ltd. • Watches.com Ltd. • UMS Holdings Limited • 8I Holdings Limited • Metech International Limited • Xemaco Group Pte. Ltd. • Roxana Shipping Pte. Ltd. • 2YSL Pte. Ltd. • Moon Pay Pte. Ltd. • Chay Corporate Advisory Sdn. Bhd. • United Power Corporation (Singapore) Pte. Ltd.	• Cap 1 Financial Pte. Ltd. • Belt and Road Investment Management Advisory Pte. Ltd. • Luminious Dental Holdings Group Pte. Ltd.
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chay Yiowmin	Yuanita Tjia
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chay Yiowmin	Yuanita Tjia
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chay Yiowmin	Yuanita Tjia
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chen Meiyun, Agnes	Ryan Chiu Tzong Min
Date of Appointment	26 January 2022	26 January 2022
Date of last re-appointment	Not applicable	Not applicable
Age	39	45
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board of Directors, having considered the recommendation of the Nominating Committee, and having reviewed the recommendation of Nominating Committee and the qualifications and working experience of Ms. Chen Meiyun, Agnes, is of the view that she has the requisite experience and capabilities to assume the responsibilities as an Independent Director of the Company. Accordingly, the Board of Directors has approved the appointment of Ms. Chen Meiyun, Agnes as an Independent Director of the Company.	The Board of Directors, having considered the recommendation of the Nominating Committee, and having reviewed the recommendation of Nominating Committee and the qualifications and working experience of Mr. Ryan Chiu Tzong Min, is of the view that he has the requisite experience and capabilities to assume the responsibilities as an Executive Director of the Company. Accordingly, the Board of Directors has approved the appointment of Mr. Ryan Chiu Tzong Min as an Executive Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Executive. Overall planning of the business direction and development of the Company.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Remuneration Committee, and Member of the Audit Committee and Nominating Committee	Executive Director and Deputy Chief Executive Officer
Professional qualifications	• Society of Trust and Estate Practitioner (STEP) – Practitioner, Trust Estate • Professional Member of International Compliance Association (MICA) – Qualified Practitioner, Compliance and Anti-Money Laundering • Singapore Institute of Management – Bachelor of Science, Finance	• National University of Singapore – Bachelor of Mechanical Engineering

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chen Meiyun, Agnes	Ryan Chiu Tzong Min
Working experience and occupation(s) during the past 10 years	Aug 2019 to Present: CSC Global Finance Markets - Managing Director APAC Jan 2018 to Jul 2019: Vistra Group - Director, Head of Greater China Trust, Corporate and Private Clients Jan 2016 to Jun 2017: The Winterbotham Trust Company Limited - CEO, Hong Kong/Asia Aug 2010 to Dec 2015: Orangefield Group (now Vistra) - Director, Head of Operations – Funds, Corporate and Trust	2017 to 2021: Managing Director of J&N Holdings (Thailand) J&N Enterprise Co Ltd 2012 to 2017: General Manager of Asian Commodity Pte. Ltd. (Singapore) 2008 to 2012: Director, Business Development of Axentel Thailand Ltd
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of Interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments Including Directorships	Yes	Yes
Past (for the last 5 years)	• Alcimed Pte. Ltd. • FERNBACH-Software Pte. Ltd. (Struck Off) • Firstcorp Partners I Pte. Ltd. (Struck Off) • New Energy Nexus (Indonesia 1) Pte. Ltd. • New Energy Nexus Ventures Pte. Ltd. • New Solaire Investments Pte. Ltd. • Penn Color APAC Pte. Ltd.	• Asian Commodity Pte. Ltd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chen Meiyun, Agnes	Ryan Chiu Tzong Min
	• Pegasus Structured Capital Pte. Ltd. • Siegen Global Investors Pte. Limited • The Winterbotham Trust Company (Hong Kong) limited • Vistra Trust (Hong Kong) Limited • Vistra Trust (Labuan) Limited • Vistra Trust (Samoa) Limited	
Present	• Adicio Pte. Ltd. • Auverve Pte. Limited • Blueshift Labs Singapore Pte. Ltd. • CFA Institute Singapore Private Limited • Corporation Service Company (Singapore) Pte. Ltd. • CSC Asia Services (Hong Kong) Limited • CSC Directors 1 (HK) Limited • CSC Directors 2 (HK) Limited • CSC GFM Asia Services (Hongkong) Pte Limited • CSC International Trading (Shanghai) Company Limited • CSC Management Consulting (Shanghai) Company Limited • CSC Secretarial Limited • CSC Tax Services Limited • CSCGFM Asia Services (Singapore) Pte. Ltd. • CSCGFM Corporate Services (Singapore) Pte. Ltd. • Euro Core Private Limited • Fact Asia Consultants Pte. Ltd. • First Dutch Investment Company Pte. Ltd. • Firstcorp Global Pte. Ltd. • Firstcorp International Pte. Ltd. • Firstcorp Pte. Ltd. • Fractal Private Limited • Goindustry Dovebid (S) Pte. Ltd. • Heritage Investment Capital Pte. Ltd. • In-Situ Monitoring Asia Pte. Ltd. • Kyocera AVX Components (Singapore) Pte. Ltd. • Kyocera AVX Components Pte. Ltd.	• Raffles Digital Infrastructure Pte. Ltd. • Raffles Infrastructure Development Holdings Pte. Ltd.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chen Meiyun, Agnes	Ryan Chiu Tzong Min
	• NEI APAC Pte. Ltd. • New Energy Nexus Asia Pte. Ltd. • New Energy Nexus Ventures Pte. Ltd. • Noord Holdings Pte. Ltd. • Nu Global Pte. Limited • Red Ventures Interactive Pte. Ltd. • Shaw Industries Asia Pte. Ltd. • SnagR Private Limited • STARLIMS Systems Pte. Ltd. • WLB Asset II B Pte. Ltd. • WLB Asset II C Pte. Ltd. • WLB Asset II D Pte. Ltd. • ZUYD Holdings Pte. Ltd.	
a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chen Meiyun, Agnes	Ryan Chiu Tzong Min
c) Whether there is any unsatisfied judgment against him?	No	No
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chen Meiyun, Agnes	Ryan Chiu Tzong Min
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:–		
i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	Chen Meiyun, Agnes	Ryan Chiu Tzong Min
iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

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