



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

Unaudited Condensed Interim Financial Statements  
For The Second Quarter and First Half Year Ended 30 June 2023

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES  
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER  
AND FIRST HALF YEAR ENDED 30 JUNE 2023**

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**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 30 JUNE 2023**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 30 JUNE 2023**

	Note	Group					
		Second Quarter			First Half Year		
		3 months ended 30 June 2023	3 months ended 30 June 2022	Increase/ Decrease	6 months ended 30 June 2023	6 months ended 30 June 2022	Increase/ Decrease
	RMB'000	RMB'000	%	RMB'000	RMB'000	%	
<b>Revenue</b>	5	1,554	5,861	-73%	7,802	9,834	-21%
Cost of sales		(1,030)	(3,406)	-70%	(4,618)	(5,755)	-20%
<b>Gross Profit</b>		<b>524</b>	<b>2,455</b>	<b>-79%</b>	<b>3,184</b>	<b>4,079</b>	<b>-22%</b>
Other income	6	2,717	1,886	44%	4,998	5,052	-1%
Distribution and marketing costs		(2)	(27)	-93%	(50)	(27)	85%
Administrative costs		(753)	(2,428)	-69%	(4,067)	(4,130)	-2%
Impairment loss on financial assets and contract assets	15	(4,418)	-	n.m	(9,516)	-	n.m
Finance costs		(4)	(11)	64%	(10)	(17)	-41%
<b>(Loss)/Profit before taxation</b>	7	<b>(1,936)</b>	<b>1,875</b>	<b>-203%</b>	<b>(5,461)</b>	<b>4,957</b>	<b>-210%</b>
Income tax	8	-	(681)	n.m	-	(681)	n.m
<b>(Loss)/Profit after taxation</b>		<b>(1,936)</b>	<b>1,194</b>	<b>-262%</b>	<b>(5,461)</b>	<b>4,276</b>	<b>-228%</b>
<b>Other comprehensive (loss)/ income</b>							
Exchange differences on translating foreign operations, net		(382)	107	-457%	(470)	51	n.m
<b>Total comprehensive (loss)/profit for the financial period</b>		<b>(2,318)</b>	<b>1,301</b>	<b>-278%</b>	<b>(5,931)</b>	<b>4,327</b>	<b>-237%</b>
<b>Net (loss)/profit attributable to:</b>							
Equity holders of the Company		(2,134)	985	-317%	(5,338)	3,978	-234%
Non-controlling interest		198	209	-5%	(123)	298	-141%
		<b>(1,936)</b>	<b>1,194</b>	<b>-262%</b>	<b>(5,461)</b>	<b>4,276</b>	<b>-227%</b>
<b>Total comprehensive (loss)/profit attributable to:</b>							
Equity holders of the Company		(2,455)	1,098	-324%	(5,736)	4,035	-242%
Non-controlling interest		137	203	-33%	(195)	292	-167%
		<b>(2,318)</b>	<b>1,301</b>	<b>-278%</b>	<b>(5,931)</b>	<b>4,327</b>	<b>-237%</b>

\*n.m: not meaningful

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER**  
**AND FIRST HALF YEAR ENDED 30 JUNE 2023**

**CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2023**

		Group		Company	
	Note	30 June 2023	30 June 2022	30 June 2023	30 June 2022
		RMB'000	RMB'000	RMB'000	RMB'000
<b>ASSETS</b>					
<b>Non-current assets</b>					
Trade and other receivables	15	266,263	233,338	-	-
Property, plant and equipment	12	497	898	-	-
Investments in subsidiaries	13	-	-	515	515
Deferred tax assets	22	73	158	-	-
<b>Total non-current assets</b>		<b>266,833</b>	<b>234,394</b>	<b>515</b>	<b>515</b>
<b>Current assets</b>					
Contract assets	11	25,697	47,013	-	-
Amount due from subsidiaries	14	-	-	125,506	128,000
Trade and other receivables	15	27,306	64,682	-	-
Prepayments	16	963	283	234	76
Cash and cash equivalents	17	82,114	85,638	37	36
<b>Total current assets</b>		<b>136,080</b>	<b>197,616</b>	<b>125,777</b>	<b>128,112</b>
<b>Total assets</b>		<b>402,913</b>	<b>432,010</b>	<b>126,292</b>	<b>128,627</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Equity</b>					
Share capital	18	192,187	192,187	192,187	192,187
Treasury shares	19	(24)	(24)	(24)	(24)
Reserves	20	(12,142)	(11,303)	93,087	93,087
Retained earnings/(Accumulated losses)		25,893	23,054	(159,981)	(158,299)
Non-controlling interests		22,426	21,752	-	-
<b>Equity attributable to owners of the Company</b>		<b>228,340</b>	<b>225,666</b>	<b>125,269</b>	<b>126,951</b>
<b>Current liabilities</b>					
Trade and other payables	21	147,750	180,541	1,023	1,676
Lease liabilities	23	248	442	-	-
<b>Total current liabilities</b>		<b>147,998</b>	<b>180,983</b>	<b>1,023</b>	<b>1,676</b>
<b>Non-current liabilities</b>					
Lease liabilities	23	61	294	-	-
Deferred tax liabilities	22	26,514	25,067	-	-
<b>Total non-current liabilities</b>		<b>26,575</b>	<b>25,361</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>174,573</b>	<b>206,344</b>	<b>1,023</b>	<b>1,676</b>
<b>Total liabilities and equity</b>		<b>402,913</b>	<b>432,010</b>	<b>126,292</b>	<b>128,627</b>

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 30 JUNE 2023**

**CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY**  
**SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	<u>Attributable to owners of the Group</u>								
	← Reserves →								
	Share capital	Treasury shares	Share premium	Merger reserve	Currency translation reserve	Retained earnings	Controlling interest	Non-controlling interests	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>									
<b>Balance at 1 January 2022</b>	192,187	(24)	93,087	(102,287)	(2,164)	19,043	199,842	21,497	221,339
Profit for the year					-	3,978	3,978	298	4,276
Exchange differences arising on translation of foreign operation	-	-	-	-	61	33	94	(43)	51
Total comprehensive income for the period	-	-	-	-	61	4,011	4,072	255	4,327
<b>Balance at 30 June 2022 (Audited)</b>	192,187	(24)	93,087	(102,287)	(2,103)	23,054	203,914	21,752	225,666
<b>Balance at 1 January 2023</b>	192,187	(24)	93,087	(102,287)	(2,472)	31,236	211,727	22,544	234,271
Loss for the year	-	-	-	-	-	(5,338)	(5,338)	(123)	(5,461)
Exchange differences arising on translation of foreign operation	-	-	-	-	(470)	(5)	(475)	5	(470)
Total comprehensive loss for the period	-	-	-	-	(470)	(5,343)	(5,813)	(118)	(5,931)
<b>Balance at 30 June 2023</b>	192,187	(24)	93,087	(102,287)	(2,942)	25,893	205,914	22,426	228,340

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
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**CONDENSED STATEMENT OF CHANGES IN EQUITY**  
**SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	← <u>Attributable to owners of the Company</u> →				
	Share capital RMB'000	<u>Treasury shares</u> RMB'000	Share premium RMB'000	Accumulated losses RMB'000	
<b><u>Company</u></b>					
Balance at 1 January 2021	192,187	(24)	93,087	(157,272)	127,978
Total comprehensive loss for the period	-	-	-	(1,027)	(1,027)
<b>Balance at 30 June 2022 (Audited)</b>	<b>192,187</b>	<b>(24)</b>	<b>93,087</b>	<b>(158,299)</b>	<b>126,951</b>
Balance at 1 January 20223	192,187	(24)	93,087	(159,536)	125,714
Total comprehensive loss for the period	-	-	-	(445)	(445)
<b>Balance at 30 June 2023</b>	<b>192,187</b>	<b>(24)</b>	<b>93,087</b>	<b>(159,981)</b>	<b>125,269</b>

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES**  
**UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER**  
**AND FIRST HALF YEAR ENDED 30 JUNE 2023**

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS**  
**SIX MONTHS PERIOD ENDED 30 JUNE 2023**

	<u>Note</u>	<u>Group</u>	
		<u>6 months</u>	<u>6 months</u>
		<u>ended 30 June</u>	<u>ended 30 June</u>
		<u>2023</u>	<u>2022</u>
		<u>RMB'000</u>	<u>RMB'000</u>
<b>Operating activities</b>			
(Loss)/Profit before income tax		(5,461)	4,957
Adjustments for:			
Depreciation of property, plant and equipment	12	254	175
Unrealised currency translation difference		(722)	(16)
Impairment loss on financial assets and contract assets	15	9,516	-
Interest income	6	(215)	(130)
Finance costs		10	17
<b>Operating cash flows before changes in working capital</b>		<b>3,382</b>	<b>5,003</b>
<u>Changes in working capital:</u>			
Contract assets		(148)	-
Trade and other receivables		19,995	17,401
Trade and other payables		12,371	(7,133)
<b>Cash generated from operations</b>		<b>35,600</b>	<b>15,271</b>
Interest received		215	130
Income tax paid		(239)	-
<b>Net cash generated from operating activities</b>		<b>35,576</b>	<b>15,401</b>
<b>Investing activity</b>			
Acquisition of property, plant and equipment	12	(29)	-
<b>Net cash used in investing activity</b>		<b>(29)</b>	<b>-</b>
<b>Financing activities</b>			
Amount due to directors		(97)	(241)
Repayment to non-controlling interest of a subsidiary - 宜宾路桥		(39,524)	(17,799)
Repayment of principal portion of lease liabilities		(229)	(157)
Interest paid on lease liabilities		(10)	(17)
<b>Net cash used in financing activities</b>		<b>(39,860)</b>	<b>(18,214)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(4,313)</b>	<b>(2,813)</b>
Cash and cash equivalents at beginning of financial period		86,111	88,400
Effect of currency translation		316	51
<b>Cash and cash equivalents at end of financial period</b>	<b>17</b>	<b>82,114</b>	<b>85,638</b>

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**Notes to the condensed interim consolidated financial statements**

**1. Corporate information**

Raffles Infrastructure Holdings Limited (the “Company”) (Registration Number 40381) is incorporated and domiciled in Bermuda and whose shares are publicly traded on the Mainboard of the Singapore Exchange. These condensed interim consolidated financial statements as at and for the second quarter and first half year ended 30 June 2023 comprise the Company and its subsidiaries (collectively, the Group).

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

The Company launched the Digital Infrastructure Business in January 2022, aiming to serve micro, small, and medium enterprises in the Regional Comprehensive Economic Partnership region with digital technology solutions, including software-as-a-service (SaaS) and platform-as-a-service (PaaS).

On 26 May 2023, the Company announced the change of the Company’s financial year end from 30 June to 31 December. Following the change, the current financial year of the Company end on 31 December 2023 (“FY2023”), and the current set of unaudited condensed interim financial statements for the second quarter and the first half year of FY2023 will cover the period from 1 April 2023 to 30 June 2023 (“2QFY2023”) and 1 January 2023 to 30 June 2023 (“1HY2023”) respectively.

**2. Basis of preparation**

The unaudited condensed interim financial statements for the second quarter and first half year ended 30 June 2023 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the audited financial statements for the financial year ended 30 June 2022.

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

**2.1 New and amended standards adopted by the Group**

The Group has applied various new accounting standards and interpretations of accounting standards for the first time for the annual period beginning on 1 July 2022 due to the amendments to SFRS(I)s. The adoption of these standards and interpretations did not have a material effect on the condensed interim financial statements.

**2.2 Use of judgements and estimates**

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

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited consolidated financial statements as at and for the year ended 30 June 2022.

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



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**Notes to the condensed interim consolidated financial statements**

**2.2 Use of judgements and estimates (Cont'd)**

The significant judgements made by management in applying the Group's accounting policies and key sources of estimation uncertainty were the same as those described in the Group's audited financial statements as at and for the year ended 30 June 2022.

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

a) *Existing Infrastructure Business – Bo Dao Project*

The Company provides construction services for Xinwen Transportation Bureau in China (the "Provincial Government"). The Group becomes entitled to invoice customers for the 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, and the control has been transferred and that recognition of the revenue in the current year is appropriate.

b) *Digital Infrastructure Business*

To align with our business diversification strategy in relation to the digital infrastructure business, the Group has embarked on the following two components of Digital Business Pillars as follows:

- Software as a Service ("SaaS")

The Company provides SaaS which comprises the customized e-platform which provides ready-made solutions in accordance with the customers' needs to manage their backend and technical aspects such as inventory and supply chain management, cloud database management, financial risk management, human resources management, and customer relationship management. The Company also provides subsequent monthly maintenance service for the scope of work provided including technical support, maintaining user database on a continuous basis, database security, and back-up system.

- Platform as a service ("PaaS") - Marketing and Advertisement services

The Company provides internet advertisement services to the customers who only pay for the media costs to display their products or services on media platform such as Facebook, Google AdWords, TikTok, Apple search ads, which is offered under the PaaS business unit. The Company will charge the customer a fee for, inter alia, designing (if required) and placing the advertisement of the customer's products/services on the various media platforms. The fee is based on customers' requirements and costs involved including the rebates given by the different media platform under the referral business model.

The Company is acting as the agent and record revenue on a net basis as the Company does not have latitude in establishing prices and does not obtain control over the goods and services before they are transferred to customers.

Management has determined that it is therefore appropriate to recognise revenue on the transaction upon the client's satisfactory and acceptance on the service provided.

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**Notes to the condensed interim consolidated financial statements**

**2.2 Use of judgements and estimates (Cont'd)**

(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 period (namely Bo Dao Road Construction Co. Ltd) is operating in China and sales are denominated in RMB.

(iii) Impairment of investments in subsidiaries

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

During the financial period, there is no significant 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.

(iv) Provision for income taxes

The Group has exposure to income taxes in China and Singapore of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax in the period in which such determination is made.

(v) Provision for expected credit losses ("ECL") of trade receivables and non-current other contract assets

The Group employs reasonable and supportable forward-looking information when measuring the expected credit losses (ECL) on trade receivables and non-current other contract assets. A crucial input in measuring ECL is the probability of default, which estimates the likelihood of default within a specified time horizon. The calculation incorporates historical data, assumptions, and expectations of future conditions.

As of 30 June 2023, the management conducted the assessment and recognized a total impairment loss of approximately RMB9,516,000. This includes impairment loss of approximately RMB 4,418,000 on current trade receivables and RMB 5,098,000 on non-current other contract assets respectively. For more detailed information, please refer to Note 15 of the unaudited financial statements.

(vi) 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.

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**Notes to the condensed interim consolidated financial statements**

**2.2 Use of judgements and estimates (Cont'd)**

(vi) Application of discount factor for non-current trade receivables (Cont'd)

In applying the discount factor to the non-current trade receivables, management has considered that the most appropriate discount rate is the China Government Bond Yield with 1, 2, 3, 5, 7 and 10 maturity years as this is the cost of fund the provincial government authority would have been able to borrow at.

(vii) 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.

**3. Seasonal operations**

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

**4. Segment information**

The Group has two revenue streams which comprise the revenue from existing infrastructure project in China and the digital infrastructure business in Singapore during 2QFY2023 and 1HY2023.

<u>Three months ended 30 June 2023</u>	<u>Infrastructure</u>	<u>Digital Infrastructure</u>	<u>Total</u>
	<u>Business</u>	<u>Business</u>	<u>(RMB'000)</u>
	<u>(RMB'000)</u>	<u>(RMB'000)</u>	
<b>Revenue</b>	-	<b>1,554</b>	<b>1,554</b>
Gross profit	-	524	524
Other income	2,254	-	2,254
Distribution and marketing costs	-	(2)	(2)
Administrative expenses	(106)	(232)	(338)
Impairment loss on non-current other contract assets	-	(4,418)	(4,418)
Finance costs	-	(4)	(4)
Tax expenses	-	-	-
Unsegment income/(expenses)	-	-	48
<b>Net loss for the period</b>			<b>(1,936)</b>

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**Notes to the condensed interim consolidated financial statements**

**4. Segment information (Cont'd)**

<u>Three months ended 30 June 2022</u>	<u>Infrastructure</u>	<u>Digital Infrastructure</u>	<u>Total</u>
	<u>Business</u>	<u>Business</u>	<u>(RMB'000)</u>
	<u>(RMB'000)</u>	<u>(RMB'000)</u>	
<b>Revenue</b>	-	5,861	5,861
Gross profit	-	2,455	2,455
Other income	1,456	32	1,488
Marketing and distribution costs	-	(27)	(27)
Administrative expenses	(586)	(925)	(1,511)
Impairment loss on non-current other contract assets	-	-	
Finance costs	-	(11)	(11)
Tax expenses	(289)	(392)	(681)
Unsegment expenses	-	-	(519)
<b>Net profit for the period</b>			<b>1,194</b>

<u>Six months ended 30 June 2023</u>	<u>Infrastructure</u>	<u>Digital Infrastructure</u>	<u>Total</u>
	<u>e Business</u>	<u>Business</u>	<u>(RMB'000)</u>
	<u>(RMB'000)</u>	<u>(RMB'000)</u>	
<b>Revenue</b>	-	7,802	7,802
Gross profit	-	3,184	3,184
Other income	4,507	23	4,530
Marketing and distribution costs	-	(50)	(50)
Administrative expenses	(549)	(2,499)	(3,048)
Impairment loss on non-current other contract assets	(5,098)	(4,418)	(9,516)
Finance costs	-	(10)	(10)
Tax expenses	-	-	-
Unsegment expenses	-	-	(551)
<b>Net loss for the period</b>			<b>(5,461)</b>

<u>Six months ended 30 June 2022</u>	<u>Infrastructure</u>	<u>Digital Infrastructure</u>	<u>Total</u>
	<u>e Business</u>	<u>Business</u>	<u>(RMB'000)</u>
	<u>(RMB'000)</u>	<u>(RMB'000)</u>	
<b>Revenue</b>	-	9,833	9,833
Gross profit	-	4,079	4,079
Other income	3,795	32	3,827
Marketing and distribution costs	-	(27)	(27)
Administrative expenses	(758)	(1,336)	(2,094)
Impairment loss on non-current other contract assets			
Finance costs	-	(17)	(17)
Tax expenses	(289)	(392)	(681)
Unsegment expenses	-	-	(811)
<b>Net profit for the period</b>			<b>4,276</b>

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**4. Segment information (Cont'd)**

The following is the Group's assets and liabilities by reporting segment:

	<u>Infrastructure</u> <u>Business</u> <u>(RMB'000)</u>	<u>Digital</u> <u>Infrastructure</u> <u>Business</u> <u>(RMB'000)</u>	<u>Others</u> <u>(RMB'000)</u>	<u>Total</u> <u>(RMB'000)</u>
<b>30 June 2023</b>				
Reportable segment assets				
- China	392,666	-	-	392,666
- Singapore	-	9,707	-	9,707
- Others	-	-	540	540
	<b>392,666</b>	<b>9,707</b>	<b>540</b>	<b>402,913</b>
Reportable segment liabilities				
- China	163,898	-	-	163,898
- Singapore	-	9,266	-	9,266
- Others	-	-	1,409	1,409
	<b>163,898</b>	<b>9,266</b>	<b>1,409</b>	<b>174,573</b>
<b>30 June 2022</b>				
Reportable segment assets				
- China	422,915	-	-	422,915
- Singapore	-	8,713	-	8,713
- Others	-	-	382	382
	<b>422,915</b>	<b>8,713</b>	<b>382</b>	<b>432,010</b>
Reportable segment liabilities				
- China	200,178	-	-	200,178
- Singapore	-	4,060	-	4,060
- Others	-	-	2,106	2,106
	<b>200,178</b>	<b>4,060</b>	<b>2,106</b>	<b>206,344</b>

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**5. Revenue**

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

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-June-23</b>	<b>30-June-22</b>	<b>30-June-23</b>	<b>30-June-22</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Infrastructure Business	-	-	-	-
Digital Infrastructure Business	1,554	5,861	7,802	9,834
	<b>1,554</b>	<b>5,861</b>	<b>7,802</b>	<b>9,834</b>

**6. Other income**

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-June-23</b>	<b>30-June-22</b>	<b>30-June-23</b>	<b>30-June-22</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Interest income- Bank deposits*	50	63	101	129
Interest income- Unwinding of discount for non-current trade receivables	2,204	1,392	4,407	3,666
Government grants	-	8	6	-
Payable written-off	-	376	-	1,226
Currency exchange gain	463	-	467	-
Other incomes	-	47	17	31
	<b>2,717</b>	<b>1,886</b>	<b>4,998</b>	<b>5,052</b>

\*Interest income primarily comes from the bank balances held by the Company's subsidiary in China. The interest rate for current account offered by the Bank of China is between 0.20% to 0.25% per annum.

**7. Profit before tax**

Profit before income tax has been arrived at after charging:

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-June-23</b>	<b>30-June-22</b>	<b>30-June-23</b>	<b>30-June-22</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Professional and legal fee	176	843	640	1,263
Research and development costs	-	27	-	27
Depreciation of property, plant and equipment	64	95	182	175
Directors' fee – directors of the Company	165	228	402	491
Staff costs				
- Key management	129	518	821	1,018
- Others	166	263	1,336	325
Rental expenses	26	27	40	53

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**8. Income tax expense**

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-June-23</b>	<b>30-June-22</b>	<b>30-June-23</b>	<b>30-June-22</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Current income tax	-	(392)	-	(392)
Deferred income tax				
- Movement in temporary differences	-	(289)	-	(289)
	-	(681)	-	(681)

**9. (Loss)/Earnings per share**

The calculation of the basic and diluted earnings per share attributable to the ordinary equity holders of the Company is as follows:

	<b>Group</b>			
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30-June-23</b>	<b>30-June-22</b>	<b>30-June-23</b>	<b>30-June-22</b>
<b><u>Earnings per share</u></b>				
(Loss)/Earnings for the purposes of basic and diluted attributable to equity holders of the Company (RMB'000)	(2,134)	985	(5,338)	3,978
<b><u>Number of shares</u></b>				
Weighted average number of ordinary shares for the purposes of basic and diluted earnings per share('000)	67,952	67,952	67,952	67,952
<b>(Loss)/Earnings per share (RMB)</b>	<b>(0.03)</b>	<b>0.01</b>	<b>(0.08)</b>	<b>0.06</b>

**10. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**

- (a) current financial period reported on; and  
(b) immediately preceding financial year.

	<b>The Group</b>		<b>The Company</b>	
	<b>As at</b>	<b>As at</b>	<b>As at</b>	<b>As at</b>
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net asset value attributable to equity holders of the Company (RMB'000)	228,340	225,666	125,269	126,951
Number of issued ordinary shares excluding treasury share as at end of the year	67,951,583	67,951,583	67,951,583	67,951,583
<b>Net asset value per ordinary share (RMB)</b>	<b>3.36</b>	<b>3.32</b>	<b>1.84</b>	<b>1.87</b>

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**11. Contract assets**

	The Group	
	30 June 2023	30 June 2022
	RMB'000	RMB'000
Infrastructure Business	25,549	47,013
Digital Infrastructure Business	148	-
Asset recognised from costs incurred to fulfil a contract	<u>25,697</u>	<u>47,013</u>

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.

**12. Property, plant and equipment**

Group	Building RMB'000	Office equipment RMB'000	Computers RMB'000	Motor Vehicles RMB'000	Total RMB'000
<b>Cost</b>					
Balance at 1 July 2021	-	10	42	267	319
Additions	882	-	17	-	899
Currency translation difference	28	-	-	-	28
<b>Balance at 30 June 2022</b>	<b>910</b>	<b>10</b>	<b>59</b>	<b>267</b>	<b>1,246</b>
Additions	-	-	77	-	77
Currency translation difference	46	-	-	-	46
<b>Balance at 30 June 2023</b>	<b>956</b>	<b>10</b>	<b>136</b>	<b>267</b>	<b>1,369</b>
Balance at 1 July 2021	-	8	32	105	145
Depreciation	157	2	9	30	198
Currency translation difference	5	-	-	-	5
<b>Balance at 30 June 2022</b>	<b>162</b>	<b>10</b>	<b>41</b>	<b>135</b>	<b>348</b>
Depreciation	447	-	25	29	**501
Currency translation difference	23	-	-	-	23
<b>Balance at 30 June 2023</b>	<b>632</b>	<b>10</b>	<b>66</b>	<b>164</b>	<b>872</b>
<b>Carrying amount</b>					
<b>Balance at 30 June 2023</b>	<b>324</b>	<b>-</b>	<b>70</b>	<b>103</b>	<b>497</b>
<b>Balance at 30 June 2022</b>	<b>748</b>	<b>-</b>	<b>18</b>	<b>132</b>	<b>898</b>

All property, plant and equipment held by the Group are located in China except for an office building located in Singapore (Note 23).

\* Total additions of property, plant and equipment amounting to RMB77,000 including the additional acquisition of computers amounting to RMB29,000 in 1HY2023.

\*\*Total depreciation charge amounting to RMB501,000 including depreciation charge of RMB254,000 in 1HY2023.



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**13. Investment in subsidiaries**

	<b>Company</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Unquoted equity shares, at cost	515	1,016
Additions	-	5
Allowance for impairment loss	-	(506)
<b>At end of financial period</b>	<b>515</b>	<b>515</b>

Movements in allowance for impairment loss are as follows:

	<b>Company</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
At beginning and at end of financial year	-	506

**14. Amount due from subsidiaries**

	<b>Company</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Current loan account		
- Amount due from subsidiaries	125,506	128,000

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

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**15. Trade and other receivables**

	Group	
	30 June 2023	30 June 2022
	RMB'000	RMB'000
<b>Non-current :</b>		
Trade receivables		
- Infrastructure Business	246,673	221,268
Other contract assets		
- Infrastructure Business	24,688	12,070
- Impairment loss	(5,098)	-
	19,590	12,070
	<b>266,263</b>	<b>233,338</b>
<b>Current :</b>		
Trade receivables		
- Infrastructure Business	19,589	59,923
- Digital Infrastructure Business	10,995	3,686
- Impairment loss	(4,418)	-
	6,577	3,686
Deposit	83	82
Value-added tax receivables	796	668
Others	261	323
	<b>27,306</b>	<b>64,682</b>
	<b>293,569</b>	<b>298,020</b>

Non-current and current trade receivables pertaining to the Infrastructure Business are receivables from the Provincial Government payable over a 10-years term based on the straight-line method according to the contract terms.

In accordance with SFRS(I) 9 Financial Instruments, the management is required to consider the use of reasonable and supportable information that is available without undue cost or effort. The current impairment loss has been assessed by the management based on a conservative and prudent approach, considering the global economic outlook slowdown and surge in inflation.

As of 30 June 2023, the following impairment losses have been assessed and recognized:

- Non-current other contract assets mainly pertain to architect design fee, project inspection, testing & quality audit fee, and general administrative and related costs incurred for the Infrastructure Business. The management has estimated an impairment loss of RMB5,098,000 based on the key indicators and inputs used in the ECL assessment.
- For the Digital Infrastructure Business, the management has issued the Letter of Demand to three existing debtors to request payment for total outstanding invoices amounting to RMB 4,418,000, which have been long overdue credit terms. However, these three debtors have declared that they are experiencing significant financial difficulties in settling the outstanding invoices and have requested additional time for the settlement without providing a specific timeline. Despite this, the management decided to fully impair the total outstanding invoices to reflect the potential risks and uncertainties associated with the collectability of outstanding balance.

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**16. Prepayments**

	<b>Group</b>		<b>Company</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Prepayments	963	283	234	76

**17. Cash and cash equivalents**

	<b>Group</b>		<b>Company</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Cash balances	4	4	-	-
Bank balances	82,110	85,634	37	36
	<b>82,114</b>	<b>85,638</b>	<b>37</b>	<b>36</b>

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

	<b>Group</b>		<b>Company</b>	
	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Renminbi	80,430	81,507	-	-
United states dollars	439	3,569	-	-
Bangladeshi taka	180	193	-	-
Singapore dollar	871	300	37	36
Malaysia Ringgit	5	-	-	-
Indonesian Rupia	41	-	-	-
Philippine Peso	69	-	-	-
Euro dollar	79	69	-	-
	<b>82,114</b>	<b>85,638</b>	<b>37</b>	<b>36</b>

Cash and cash equivalents of RMB80,430,000 (FY2022: RMB81,507,000) held in the People's Republic of China are subject to local exchange control regulation. These regulations places restriction on the amount of currency being exported other than through dividends.

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**18. Share capital**

	<b>30 June 2023</b>	<b>31 March 2023</b>	<b>30 June 2023</b>	<b>31 March 2023</b>
<b>Par value US\$</b>	<b>Number of ordinary shares '000</b>		<b>RMB'000</b>	<b>RMB'000</b>
<b>Authorised:</b>				
As at (US\$100,000,000)	0.40	250,000	250,000	615,347
			<b><u>30 June 2023</u></b>	<b><u>31 March 2023</u></b>
			<b>US\$'000</b>	<b>US\$'000</b>
<b>Issued and paid up:</b>				
As at	0.40	67,960	67,960	27,181
Equivalent to RMB'000			192,187	192,187

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

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets. There were no outstanding convertibles issued by the Company as at 31 March 2023 and as at 30 June 2023.

**19. Treasury share**

	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
<b>Paid up:</b>	<b>Number of treasury shares'000</b>		<b>US\$'000</b>	<b>US\$'000</b>
At beginning and end of the financial period/year	8	8	3	3
Equivalent to <b>RMB'000</b>			24	24

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

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

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

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**19. Treasury share (Cont'd)**

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.

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial reporting period. As at 30 June 2023, 8,000 treasury shares are held by the Company and there were no subsidiary holdings.

**20. Reserves**

	Group		Company	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Share premium	79,908	79,908	79,908	79,908
Share replacement	13,179	13,179	13,179	13,179
Currency translation reserves	(2,942)	(2,103)	-	-
Merger reserve	(102,287)	(102,287)	-	-
	<b>(12,142)</b>	<b>(11,303)</b>	<b>93,087</b>	<b>93,087</b>

**(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.

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**21. Trade and other payables**

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
Trade payables				<b>0</b>
- Infrastructure Business	60,255	57,131	-	-
- Digital Infrastructure Business	7,670	2,272	-	-
Accrued operating expenses	2,239	2,662	858	1,302
Amount due to directors	172	699	165	374
Amount due to non-controlling interest of a subsidiary – 宜宾路桥	76,893	117,365	-	-
Tax payables	521	412	-	-
<b>Total trade and other payables</b>	<b>147,750</b>	<b>180,541</b>	<b>1,023</b>	<b>1,676</b>

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

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

Amount due to 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 carrying amounts of accruals and other payables is an approximate of their fair values.

**22. 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:

	<b>Group</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Deferred tax liabilities	26,514	25,067
Deferred tax assets	(73)	(158)
<b>At end of the period</b>	<b>26,441</b>	<b>24,909</b>

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**22. Deferred income taxes (Cont'd)**

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

	<b>Group</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Deferred tax liabilities</b>		
At beginning of the year	25,067	23,639
Recognised in profit or loss from the infrastructure project in China	1,531	1,277
Recognised in profit or loss due to right-of-use assets in Singapore and China	(90)	151
Currency translation difference	6	-
<b>At end of the period</b>	<b>26,514</b>	<b>25,067</b>

	<b>Group</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Deferred tax assets</b>		
At beginning of the year	158	-
Recognised in profit or loss due to lease liabilities in Singapore and China	(91)	158
Currency translation difference	6	-
<b>At end of the period</b>	<b>73</b>	<b>158</b>

**23. 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 12 of the financial statements above.

*(a) Carrying amounts*

ROU (right-of-use) asset classified within Property, plant and equipment:

	<b>Group</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Building – Singapore office	171	428
Building – China office	153	320
	<b>324</b>	<b>748</b>

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**23. Lease Liabilities (Cont'd)**

*(b) Current and non-current lease liabilities*

<u>Current</u>	<b>Group</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Building – Singapore office	158	274
Building – China office	90	168
	<b>248</b>	<b>442</b>

<u>Non-current</u>	<b>Group</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Building – Singapore office	-	144
Building – China office	61	150
	<b>61</b>	<b>294</b>

*(c) Amount recognised in profit or loss*

	<b>Group</b>	
	<b>30 June</b>	<b>30 June</b>
	<b>2023</b>	<b>2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Depreciation of ROU	255	175
Interest on lease liabilities	10	17
Expenses relating to short-term leases	40	53
	<b>305</b>	<b>245</b>

*(e) total cash outflow for the lease was RMB269,000 (2QFY2022: RMB210,000)*



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**24 Significant related party transactions**

***Compensation of directors and key management personnel remuneration***

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

	<b>Group</b>		<b>Company</b>	
	<b>3 months ended 30 June 2023</b>	<b>3 months ended 30 June 2022</b>	<b>3 months ended 30 June 2023</b>	<b>3 months ended 30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>

Short-term employee benefits

	294	746	165	228
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	<b>Group</b>		<b>Company</b>	
	<b>6 months ended 30 June 2023</b>	<b>6 months ended 30 June 2022</b>	<b>6 months ended 30 June 2023</b>	<b>6 months ended 30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>

Short-term employee benefits

	1,223	1,509	402	491
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**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:

	<b>Group</b>		<b>Company</b>	
	<b>30 June 2023</b>	<b>30 June 2022</b>	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>	<b>RMB'000</b>
<i>Financial assets</i>				
At amortised cost	374,887	382,990	125,203	128,036
<i>Financial liabilities</i>				
At amortised cost	148,058	181,277	1,023	1,676

## Other Information Required by Listing Rule Appendix 7.2

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES  
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**OTHER INFORMATION**

**1. Review**

The unaudited condensed interim consolidated statement of financial position of Raffles Infrastructure Holdings Limited and its subsidiaries as at 30 June 2023 and the related condensed consolidated profit or loss and other comprehensive income for the third quarter and nine months period ended, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine months period then ended and certain explanatory notes have not been audited or reviewed.

**2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

**4. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the Group's business. It must include a discussion of the following:**

**(a) any significant factors that affected the turnover, costs, and earnings of the Group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

**(b) any material factors that affected the cash flow, working capital, assets or liabilities of the Group during the current financial period reported on.**

**Review of Financial Performance**

**Revenue Decrease:** Revenue decreased by approximately RMB 2.0 million or 21%, from RMB 9.8 million in 1HY2022 to RMB 7.8 million in 1HY2023. The primary reason for this decline was the cessation of business contracts with three existing customers of the SaaS business unit on 31 March 2023. Despite attempts at renegotiation, these customers decided not to continue with the Company's monthly software maintenance services, leading to a loss of approximately RMB0.7 million in total average monthly maintenance services income for these three customers. Furthermore, the Company did not secure any new contracts or customers as of 30 June 2023.

**Revenue Composition in 2QFY2023:** In 2QFY2023, the revenue of RMB 1.5 million was mainly derived from a new project launched in one of the Group's subsidiaries, Wuhan Raffles Technology Co., Ltd. ("Wuhan Raffles"). The service agreement between Wuhan Raffles and a third party, signed on 15th March 2023, focused on providing software platform design, development, and implementation services primarily used for the video game industry. The contract value is approximately RMB 1.6 million, with a project duration of four months. After completing the project, Wuhan Raffles will continue to offer maintenance services for software operations and upgrading purposes upon the customer's request.

**Infrastructure Business Segment:** No revenue was recognized for the Infrastructure Business segment.

**Gross Profit Margin:** The Group's gross profit margin remained relatively stable at approximately 41% in both 1HY2022 and 1HY2023, mainly attributable to the SaaS business unit. However, there was a decrease in the gross profit margin in 2QFY2023 compared to 2QFY2022, mainly due to a lower gross profit margin of 34% derived from the new project undertaken by Wuhan Raffles as mentioned above.

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**OTHER INFORMATION (Cont'd)**

**Review of Financial Performance (Cont'd)**

**Other Income**

Other income increases by approximately RMB0.8 million or 44% from RMB1.9 million in 2QFY2022 to RMB2.7 million in 2QFY2023. The increase was mainly attributed to increased in unwinding of discounts amounting to approximately RMB0.8 million. The unwinding of discount in conjunction with non-current trade receivables was carried at amortised cost, in view of the time value of money. The Group has applied discounting on non-current trade receivables (future cash receipts) to arrive at a present value since prior financial years. Therefore, it becomes necessary to unwind that discount for each successive financial year including each financial reporting period regardless of whether revenue was recognised during the relevant financial period/year. The unwinding adjustments is simply an accounting treatment in accordance with the Singapore Financial Reporting Standards International ("SFRS(I)") 9 – Financial Instrument. The Group has consistently applied a discounting on non-current trade receivables (future cash receipts) to arrive at a present value since prior financial years.

**Administrative expenses**

The Group's administrative expenses decreased significantly by approximately RMB 1.7 million or 70% in 2QFY2023, reaching RMB 0.7 million compared to RMB 2.4 million in 2QFY2022. This significant decrease was mainly due to:

- In 2QFY2023, there were a total of RMB 1.0 million operational costs incurred for a new project under the service agreement signed between Wuhan Raffles and a third party on 15th March 2023. These costs included staff costs of RMB 0.8 million, IT expenses of RMB 0.1 million, and other business-related expenses of RMB 0.1 million. To align with the revenue recognition of RMB 1.5 million, these total costs have been reclassified into cost of sales.
- Decrease in total professional and legal fees by approximately RMB 0.6 million or 75% from RMB0.8 million in 2QFY2022 to RMB0.2 million in 2QFY2023. This decrease was primarily due to a decreased demand for professional services as compared to the corresponding period of the previous year.

Overall, The Group's administrative expenses have remained relatively stable at approximately RMB 4.1 million in both 1HY2022 and 1HY2023.

**Finance cost**

Finance costs are interest expenses on lease liabilities. The Company leased two offices for the Digital Infrastructure Business in Singapore and China respectively in 2QFY2023 and 1HY2023.

**Income tax expense**

The effective tax rate for our operation in China and Singapore is 25% and 17% respectively.

**Net (loss)/profit**

Overall, the Group reported significant net losses of approximately RMB1.9 million in 2QFY2023 and RMB5.5 million in 1HY2023 as compared to the net profits of approximately RMB1.2 million in 2QFY2022 and RMB 4.3 million in 1HY2022. The decrease in net profit was mainly due to substantial revenue decline in the Digital Business Segment and impairment losses on financial assets and contract assets of approximately RMB4.4 million in 2QFY2023 and RMB 9.5 million in 1H2023.

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**OTHER INFORMATION (Cont'd)**

**Review of Financial Position**

**Non-current assets**

Trade and other receivables increased by approximately RMB32.9 million or 14% from approximately RMB233.3 million as at 30 June 2022 to approximately RMB266.3 million as at 30 June 2023. This was mainly due to total revenue of RMB28.1 million generated from the Bo Dao project in July 2022 upon the acceptance by the Provincial Government in China on the two completed road parcels (i. e. 下同路和久陈路).

Please refer to the table below for a breakdown of the non-current trade and other receivables for payments received and future payments to be received:

	Current trade receivables 30 June 2023 RMB mil	Non-current trade and other receivables 30 June 2023 RMB mil	Total RMB mil
Trade receivables	19.6	275.4	295.0
Less: Adjustments for time value of money	-	(55.0)	(55.0)
Add: Adjustments for unwinding of discounts cash flow	-	26.3	26.3
Other contract assets *	-	19.6	19.6
<b>Total trade and other receivables</b>	<b>19.6</b>	<b>266.3</b>	<b>285.9</b>

\* Please refer to the following breakdown of non-current other contract assets:

	RMB mil
Architect design costs	5.2
Audit fees	0.4
General administrative costs #	12.6
Inspection & testing costs	0.4
Value-add tax relating to the pre-administrative costs	7.5
Less: Adjustments for time value of money on non-current other contract assets	(2.0)
Add: Adjustments for unwinding of discounts cash flow	0.6
Less: Impairment loss on general administrative costs (Note 15)	(5.1)
<b>Total non-current other contract assets as at 30 June 2023</b>	<b>19.6</b>

# The general administrative costs of RMB12.6 million mainly comprise labour costs of RMB8.0 million, marketing expenses of RMB1.0 million, travelling expenses of RMB1.0 million, office rental of RMB1.1 million, office expenses of RMB 1.2 million and other miscellaneous expenses of RMB0.3 million. All above-mentioned suppliers/professionals are non-related parties to the Company.

Please refer to the tables below for the schedule of billing and payment cycles:

Payment received from the Provincial Government (RMB: mil):

	Aug 18	Dec 18	Jan 19	July 19	Aug 19	Sep 19	Dec 19	Jan 20	Apr 20	Aug 20	Sep 20	
Billing date	10.4	7.6		0.9	30.6		14.5			32.8		
Payment date			18.0			10.0		30.0	6.0		0.5	
	Dec 20	Jan 21	Feb 21	Apr 21	Nov 21	Dec 21	Jan 22	July 22	Dec 22	Jan 23	Mar 23	
Billing date	20.0				52.4				3.9	22.0		
Payment date		0.7	40.0	11.6	14.3	3.0	25.8	7.5	5.7	15.0	7.0	
	Apr 23	May 23	Total									
Billing date	35.9		231.0*									
Payment date	4.0	12.3	211.4*									

\* The difference between the total billing amount of RMB 231.0 million and total actual receipts of RMB 211.4 million refers to trade receivables of RMB 19.6 million recognized as of 30 June 2023.

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**OTHER INFORMATION (Cont'd)**

**Review of Financial Position (Cont'd)**

**Non-current assets (Cont'd)**

Future billing/payment dates (RMB: mil):

	<b>Aug 23</b>	<b>Dec 23</b>	<b>Jan 24</b>	<b>Aug 24</b>	<b>Dec 24</b>	<b>Jan 25</b>	<b>Aug 25</b>
Billing date	32.6	19.9		30.8	18.8		29.0
Payment date			52.5			49.6	
	<b>Dec 25</b>	<b>Jan 26</b>	<b>Aug 26</b>	<b>Dec 26</b>	<b>Jan 27</b>	<b>Aug 27</b>	<b>Dec 27</b>
Billing date	17.7		27.2	16.6		25.5	15.5
Payment date		46.7			43.8		
	<b>Jan 28</b>	<b>Aug 28</b>	<b>Dec 28</b>	<b>Jan 29</b>	<b>Aug 29</b>	<b>Dec 29</b>	<b>Jan 30</b>
Billing date		16.3	9.7		7.6	4.5	
Payment date	41.0			26.0			12.1
	<b>Aug 30</b>	<b>Dec 30</b>	<b>Jan 31</b>	<b>Total</b>			
Billing date	2.3	1.4		275.4			
Payment date			3.7	275.4			

The Company wishes to state that above future billing is only indicative and will be subject to change upon the Provincial Government's actual payment amount and date.

**Current assets**

Trade and other receivables

Trade and other receivables decreased by approximately RMB37.4 million, or 58% from RMB64.7 million as at 30 June 2022 to RMB27.3 million as at 30 June 2023. This was mainly due to a decrease in trade receivables of approximately RMB40.3 million or 67% in Infrastructure Business (i.e. Bo Dao Project) resulting from the receipt of total payment of RMB51.5 million from the Local Provisional Government for the completed road parcels since 1 July 2022. It was partially offset by an increase in trade receivables of approximately RMB2.9 million or 78% in the Digital Infrastructure Business.

Contract assets

Contract assets declined by approximately RMB21.3 million or 45%, from RMB47.0 million as at 30 June 2022 to RMB25.7 million as at 30 June 2023. The decrease was mainly due to RMB21.5 million being transferred into the cost of sale and revenue after the Provincial Government had made the initial payments for the two completed road parcels (i.e., 下同路和久陈路) in July 2022.

Please refer to the table below for the percentage of completion, project costs recognised for the four on-going road parcels to-date under contract assets:

Name of parcels	% of completion	Total project costs recognized as current contract assets (RMB mil)
九大路	47%	12.9
麒新路	83%	12.6
海纳路	67%	Both 海纳路 and 云顶路 are on-going but the project costs incurred are still pending for the Provincial Government's acceptance. The Company will account for the project costs as contract assets upon the acceptance and approval from the Provincial Government.
Total contract assets recognised for Infrastructure Business		25.5

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**OTHER INFORMATION (Cont'd)**

**Review of Financial Position (Cont'd)**

**Current liabilities**

Trade and other payables decreased by approximately RMB32.7 million or 18% from approximately RMB180.5 million as at 30 June 2022 to approximately RMB147.8 million as at 30 June 2023. This was mainly due to decrease in amount due to non-controlling interest of a subsidiary – 宜宾路桥 by approximately RMB40.5 million or 34% from RMB117.4 million as at 30 June 2022 to RMB76.9 million as at 30 June 2023 as a result of repayment of approximately RMB53.3 million to 宜宾路桥 from 1 July 2022 to 30 June 2023.

**Review of Cashflow Position**

The Group's cashflow position decreased by RMB3.5 million or 4% in cash and cash equivalents, from RMB85.6 million as at 30 June 2022 to RMB82.1 million as at 30 June 2023. This decrease was primarily attributed to the repayment of approximately RMB39.5 million to the non-controlling interest of a subsidiary, 宜宾路桥, in 1HY2023.

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

Not applicable as no forecast, or a prospect statement has been previously disclosed to shareholders.

**6. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

**Infrastructure Business – Bo Dao Project**

The Bo Dao Project, established as a Public-Private Partnership (“PPP”) with the Provincial Government in 2016 with a committed project value of RMB550 million plus an investment return of approximately 266.2 million at 8.8% per annum. As of 30 June 2023, the Group has recognized cumulative revenue of RMB506.4 million from the completion of 13 road parcels. As of 30 June 2023, the Group's total receivables and contract assets of approximately RMB311.4 million including non-current trade receivables of RMB246.7 million, non-current other contract assets of RMB19.6 million, current trade receivables of RMB19.6 million, and current contract assets of RMB25.5 million, raise the focus on collectivity and recoverability, especially considering the credit term of over 10 years in long-term receivables.

The Chinese economy's Q2FY2023 growth of 6.3%, falling short of the estimated 7.1%, indicates a slower-than-expected expansion as retail sales growth decelerated and the property market experienced a deeper slump. Additionally, depressed demand in China poses risks of spillover effects, potentially impacting manufacturing across Asia as the Chinese recovery weakens. (Source: Bloomberg) Amidst the stagnant Chinese economy, unpredictable global outlook, increasing inflation, and geopolitical tensions, the Group foresees ongoing challenges in operating conditions, potentially affecting payment timelines from the local Provincial Government, including project cost approvals. Despite the impairment of RMB 5.1 million in non-current other contract assets during 1HY2023, no significant default payments on trade receivables have been observed. Nevertheless, the Group remains committed to stakeholders, with the Bo Dao Project continuing to be a crucial aspect of Group's portfolio.

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**OTHER INFORMATION (Cont'd)**

**Digital Infrastructure Business**

In 2QFY2023, the Company's Digital Infrastructure Business faced unforeseen challenges stemming from both internal and external factors. The digital technology market demonstrated weakness, with major global tech companies announcing significant layoffs, leading to uncertainties in the industry. The Digital Infrastructure Business necessitates substantial working capital, particularly for talent recruitment, research and development of digital products, and the time and efforts required for new product launches..

A significant impact on investor confidence arose after the Company's application for an extension of time to meet the requirement to exit the Watch-List (Financial Criteria) under Listing Rule 1314 was rejected by the SGX-ST on 1 June 2023. The SGX-ST will proceed with delisting the Company pursuant to Listing Rule 1315. Subsequently, the Company's shares were suspended from trading on 3 July 2023. This development has further amplified challenges for the Digital Infrastructure Business, which relies on upfront investment funds for project execution.

The collectability and recoverability of trade receivables from three customers suffered significant impairment of RMB 4.4 million after the Company issued letters of demand to recover outstanding accounts, exacerbating the financial performance of the digital business segment.

In response to these challenges, the management and board are currently evaluating the operational and financial sustainability of the Digital Infrastructure Business in the near future. The Company remains committed to promptly updating stakeholders on any material developments.

Overall, the financial statements for 2QFY2023 and 1HY2023 highlight the challenges faced, particularly in the Digital Infrastructure Business. The Group's proactive cost optimization and operational efficiency measures demonstrate determination to adapt to market conditions for sustainable growth. Prudent financial management and agile decision-making remain the Group's cornerstones in ensuring long-term sustainability.

**7. Dividend Information**

**(a) Current Financial Period Reported On**

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

**8. If no dividend has been declared/recommendeded, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared or recommended for the financial period ended 30 June 2023 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.



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**OTHER INFORMATION (Cont'd)**

**9. Interested Person Transactions**

The Group does not have a general mandate from shareholders for Interested Person Transactions. No interested person transactions exceeding S\$100,000 has been entered into by the Group for the first half year ended 30 June 2023.

**10. Confirmation pursuant to Rule 720(1)**

The Company confirms that undertakings under Rule 720(1) have been obtained from all its directors and executive officers in the format set out in form Appendix 7.7.

**11. Use of Proceeds**

As at the date of this announcement, the net proceeds from the Company's initial public offering had been utilised as follows:

	<b>Amount allocated</b>	<b>Amount Utilised</b>	<b>Balance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
to construct new facilities and acquire new machinery	14,000	13,231	769
to expand Research & Development facilities	1,000	1,000	-
Working capital purposes	2,182	2,182	-
	<b>17,182</b>	<b>16,413*</b>	<b>769*</b>

\* The Company wishes to clarify that based on the findings of the special audit announced on 13 August 2019, the current management of the Company is unable to provide a meaningful update on the use of IPO proceeds as the state of affairs of the Company (from legacy issues), including the movement of funds, remains unclear since the Company's IPO until June 2018.

As at the date of this announcement, the net proceeds from the Company's placement proceeds had been utilised as follows:

	<b>Amount allocated</b>	<b>Amount utilized</b>	<b>Balance</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
Project investment	22,900	7,048	15,852
Working capital purpose <sup>(1)</sup>	7,000	6,589	411
<b>Total</b>	<b>29,900</b>	<b>13,637</b>	<b>16,263</b>

<sup>(1)</sup>The breakdown of the use of Placement Proceeds of S\$6.6 million for "working capital purpose is as follow:

- i. Payroll and staff related expenses (incl. Directors Fees) – S\$2.8 million
- ii. Operating expenses (incl. rental, stationery, entertainments, travelling) – S\$1.1 million
- iii. Professional fees (incl. legal, audit, corporate secretary services etc) S\$2.2 million
- iv. Refund of initial deposit of S\$500,000 to Yayuan Limited (the "Subscriber") in accordance with the Subscription Agreement dated on 15 September 2021 and followed by the termination of Subscription Agreement as announced on 15 December 2021.

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**Confirmation pursuant to Rule 705(5)**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter and first half year ended 30 June 2023 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ryan Chiu Tzong Min  
Executive Director

2 August 2023

Chay Yiowmin  
Audit Committee Chairman & Non-  
Executive Lead Independent Director  
2 August 2023