

REQUIREMENT TO PERFORM QUARTERLY REPORTING

The Company is required to continue to do quarterly reporting in view of the modified opinion issued by its statutory auditor in its latest annual report.

UNAUDITED SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 2020

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.

- 1(a)(i) An income statement and statement of comparative income, or a statement of comprehensive income, for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income for the Group

The Group

	Second Quarter			Half Year		
	FY2021	FY2020	change	FY2021	FY2020	change
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	4,603	-	100%	20,186	-	100%
Cost of sales	(1,479)	-	100%	(13,165)	-	100%
Gross profit	3,124	-	100%	7,021	-	100%
Other income	2,335	4	100%	4,676	26	100%
Administrative costs	(1,962)	(2,307)	-15%	(4,040)	(5,608)	-28%
Profit/(Loss) before taxation	3,497	(2,303)	252%	7,657	(5,582)	237%
Income tax	(497)	-	100%	(1,471)	-	100%
Profit/(Loss) after taxation	3,000	(2,303)	230%	6,186	(5,582)	211%
Other comprehensive income						
Items that may be reclassified subsequently to profit or loss						
Exchange differences on translating foreign operations, net of tax	114	-	100%	108	-	100%
Total comprehensive income/(loss) for the period	3,114	(2,303)	235%	6,294	(5,582)	213%
Net profit/(loss) attributable to:						
Equity holders of the company	1,585	(2,302)	169%	4,305	(5,581)	177%
Non controlling Interest	1,415	(1)	100%	1,881	(1)	100%
	3,000	(2,303)	230%	6,186	(5,582)	211%
Total comprehensive profit/(loss) attributable to:						
Equity holders of the parent company	1,699	(2,302)	174%	4,416	(5,581)	179%
Non controlling Interest	1,415	(1)	100%	1,878	(1)	100%
	3,114	(2,303)	235%	6,294	(5,582)	213%

1(a)(ii) Other information

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

	Second Quarter		Half Year	
	FY2021	FY2020	FY2021	FY2020
	RMB'000	RMB'000	RMB'000	RMB'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Depreciation of property, plant and equipment	11	11	21	21
Unwinding of discount on non-trade receivables	2,212	-	4,424	-
Government grant	48	-	109	-

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of financial position

	The Group		The Company	
	31 December 2020	30 June 2020	31 December 2020	30 June 2020
	RMB'000	RMB'000	RMB'000	RMB'000
Assets				
Non-current assets				
Property, plant and equipment	197	219	-	-
Trade and other receivables	292,087	272,700	-	-
Investment in subsidiaries	-	-	510	510
Total non-current assets	292,284	272,919	510	510
Current assets				
Trade and other receivables	58,740	51,572	-	-
Other contract asset	20,129	5,531	-	-
Prepayment	223	101	212	96
Amount due from a subsidiary	-	-	134,152	141,073
Cash and bank balances	95,994	97,221	9	3
Total current assets	175,086	154,425	134,373	141,172
Total assets	467,370	427,344	134,883	141,682
Liabilities and equity				
Equity				
Share capital	192,187	192,187	192,187	192,187
Treasury shares	(24)	(24)	(24)	(24)
Reserves	(11,477)	(11,585)	93,087	93,087
Accumulated losses	13,844	9,539	(154,402)	(147,687)
Non Controlling Interest	21,546	19,317	-	-
Equity attributable to owners of the Company	216,076	209,434	130,848	137,563
Current Liabilities				
Trade and other payables	227,195	195,281	4,035	4,119
Non-Current Liabilities				
Deferred tax liability	24,099	22,629	-	-
Total liabilities	251,294	217,910	4,035	4,119
Total liabilities and equity	467,370	427,344	134,883	141,682

(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

As at 31 December 2020		As at 30 June 2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Amount repayable after one year

As at 31 December 2020		As at 30 June 2020	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
-	-	-	-

Details of any collateral

Not applicable

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows for the Group

	Half Year	
	FY2021	FY2020
	RMB'000	RMB'000
Operating activities		
Profit/ (Loss) before income tax	7,657	(5,582)
Adjustments for:		
Depreciation of property, plant and equipments	21	22
Interest Income	(141)	(26)
Operating cash flows before changes in working capitals	7,537	(5,586)
<u>Changes in working capital:</u>		
Other contract asset	(14,598)	(51,825)
Trade and other receivables	(26,677)	7,561
trade and other payables	17,429	10,496
Cash used in operating activities	(16,309)	(39,354)
Interest received	141	26
Income tax paid	-	-
Net Cash used in operating activities	(16,168)	(39,328)
Investment activities		
Acquisition of property, plant and equipment	-	(12)
Acquisition of subsidiaries, net of cash required	348	-
Net Cash generated from /(used in) investing activity	348	(12)
Financing activities		
Amount due to directors	37	256
Amount due to shareholders	14,448	34,754
Net Cash generated from financing activities	14,485	35,010
Net increase/ (decreased) in cash and cash equivalents	(1,335)	(4,330)
Cash and cash equivalents at beginning of financial period	97,221	104,606
Effect of currency translation	108	(34)
Cash and cash equivalents at end of financial period	95,994	100,242

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of changes in equity for the Group

<-----Attributable to equity holders of the Company----->

	Share Capital RMB'000	Treasury shares RMB'000	Share Premium RMB'000	Capital reserve RMB'000	Statutory reserve RMB'000	Merger reserve RMB'000	Currency Translation Reserve RMB'000	Surplus reserve RMB'000	Retained Profit/(accum ulated losses) RMB'000	Controlling Interest RMB'000	Non Controlling Interest RMB'000	Total Equity RMB'000
Balance as at 01.07.2019 (Restated)	192,187	(24)	93,087	-	-	(102,287)	(797)	-	(17,459)	164,707	16,016	180,723
Total Comprehensive loss for the period	-	-	-	-	-	-	-	-	25,389	25,389	3,301	28,690
Exchange differences arising on translation of foreign operation	-	-	-	-	-	-	21	-	-	21	-	21
Transfer to retained earnings- change in functional currency of Company from SGD to RMB	-	-	-	-	-	-	(1,609)	-	1,609	-	-	-
Balance as at 30.06.2020 (Restated)	192,187	(24)	93,087	-	-	(102,287)	(2,385)	-	9,539	190,117	19,317	209,434
Balance as at 01.07.2020 (Restated)	192,187	(24)	93,087	-	-	(102,287)	(2,385)	-	9,539	190,117	19,317	209,434
Total Comprehensive loss for the period	-	-	-	-	-	-	-	-	4,305	4,305	1,881	6,186
Exchange differences arising on translation of foreign operation	-	-	-	-	-	-	108	-	-	108	-	108
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	-	348	348
Balance as at 31.12.2020 (Unaudited)	192,187	(24)	93,087	-	-	(102,287)	(2,277)	-	13,844	194,530	21,546	216,076

Statement of changes in equity for the Company

	Share Capital RMB'000	Treasury shares RMB'000	Share Premium RMB'000	Retained Profit/(accumulated losses) RMB'000	Currency Translation Reserve RMB'000	Total Equity RMB'000
Balance as at 01.07.2019	192,187	(24)	93,087	(145,801)	1,609	141,058
Total Comprehensive loss for the period	-	-	-	(3,495)	-	(3,495)
Exchange differences arising on translation of foreign operation	-	-	-	-	-	-
Transfer to retained earnings- change in functional currency of Company from SGD to RMB	-	-	-	1,609	(1,609)	-
Balance as at 30.06.2020 (Audited)	192,187	(24)	93,087	(147,687)	-	137,563
Balance as at 01.07.2020 (Audited)	192,187	(24)	93,087	(147,687)	-	137,563
Total Comprehensive loss for the period	-	-	-	(6,715)	-	(6,715)
Balance as at 31.12.2020 (Unaudited)	192,187	(24)	93,087	(154,402)	-	130,848

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

	Number of Shares	Share capital RMB'000
Balance as at 1 July 2020 and 31 December 2020	67,959,583	192,187

There were no convertible shares issued by the Company as at 31 December 2020.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	As at 31 December 2020	As at 30 June 2020
Number of ordinary shares in issue	67,959,583	67,959,583
Less: Ordinary shares kept as treasury shares	(8,000)	(8,000)
Number of ordinary shares excluding treasury shares	67,951,583	67,951,583

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

There is no sales, transfers, disposal, cancellation and / or use of treasury shares by the Company as at 31 December 2020.

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

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

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

Not applicable.

- 3(a) Where the latest financial statements are subject to an adverse opinion, qualified opinion, or disclaimer of opinion: -**

The latest audited financial statements for the financial year ended 30 June 2020 contained a Qualified Opinion issued by the independent auditor of the Company (the "Auditor"). The following subjects were included in the said audit opinion:

- (i). Opening Balance
- (ii). Non-consolidation of certain entities due to loss of control

3(a)(i) Update on the efforts taken to resolve each outstanding audit issues.

(i). Opening Balance

The independent auditor's report for financial statement ended 30 June 2019 contained a qualified opinion, as such the audit opinion for financial statement ended 30 June 2020 is modified because of the possible effects of these matters on the comparability of the current period's figures and the corresponding figures.

The management will be working together with auditor to resolve the issue. The auditors will re-assess the impact of the prior year opening balances in their course of audit for FY2021.

(ii). Non-consolidation of certain entities due to loss of control

The independent auditor is unable to perform any audit procedures to obtain sufficient appropriate audit evidence in accordance with SFRS as a result of loss of control of previous subsidiaries.

These previous subsidiaries had already been deconsolidated from the Group since financial year ended 30 June 2019. The group will take the remedy actions to eliminate this qualified opinion.

3(a)(ii) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

The Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and method of computation in the financial statements for the current financial period compared with those of the audited financial statements as at 30 June 2020.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and Company has adopted the new SFRS (I) that are effective for annual periods beginning on or after 1 July 2020. The adoption of this new SFRS (I) did not result in any significant impact on the financial statements of the Group and Company.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Basic and Diluted Profit/(Loss) Per Share

	2Q FY2021	2Q FY2020	HY2021	HY2020
Profit/(Loss) attributable to equity holders of the Company (RMB'000)	1,585	(2,302)	4,305	(5,581)
Weighted average number of ordinary shares excluding treasury shares ('000)	67,952	67,952	67,952	67,952
Profit/(Loss) per share (RMB) – basic and diluted	0.02	(0.03)	0.06	(0.08)

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

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

	The Group		The Company	
	As at 31 December 2020	As at 30 June 2020 (Restated)	As at 31 December 2020	As at 30 June 2020
Net asset value per ordinary share (RMB)	3.18	3.08	1.93	2.02
Number of issued ordinary shares excluding treasury share as at end of the period	67,951,583	67,951,583	67,951,583	67,951,583

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Financial Performance

Revenue, Gross Profit and Gross Margin

The Group reported a total revenue of RMB 20.2 million for 1HY2021 which comprises revenue of RMB15.6 million from the existing PPP project with the People's Republic of China as well as total revenue of RMB 4.6 million from a newly acquired subsidiary:

- In September 2020, the Group recognised a revenue of RMB17.3 million upon client's acceptance of additional one road parcel. As the payment will be collected over 10 years, a discount rate has been used for the effect of time value of money and had reduced the revenue by RMB1.7 million against the non-current trade receivables.
- According to Joint Venture Agreement dated on 2 November 2020, the Company has acquired 50% of total shares in Raffles Infrastructure Capital Limited ("RIC") which is incorporated in Hong Kong. The Company has the majority control power over RIC. There is a total revenue of RMB4.6 million from RIC which is derived from the business advisory service performed for an infrastructure project during 2Q2021.

Other Income

Other income has significantly increased in 2Q2021 and 1HY2021, mainly attributable to unwinding of discount in conjunction with non-trade receivables of RMB 2.2 million in 2Q2021 and RMB4.4 for 1HY2021 respectively.

Administrative expenses

Administrative expenses decreased by approximately RMB1.6 million or 28.6% from approximately RMB5.6 million in 1HY2020 to approximately RMB4.0 million in 1HY2021, mainly attributed to legal and professional fees relating to the Special Audit and resumption of trading incurred in 1Q2020 as well as further decreased in travelling costs in 2Q2021 because of Covid-19 pandemic.

Finance cost

There is no finance cost incurred in 2Q2021 as there is no loan taken during the financial period.

Income tax expense

The effective tax rate for our operation in China is 25% of the profit.

Profit

As a result of the above, the Group registered a net profit attributable to equity owners of the Company of RMB4.3 million as compared to the net loss of RMB5.6 million in 1HY2020.

Review of Financial Position

Non-current assets

Trade and other receivables increased by approximately RMB19.4 million or 7.1% from approximately RMB272.7million as at 30 June 2020 to approximately RMB292.1 million as at 31 December 2020 was mainly due to the construction expenses incurred which will be invoiced to the client upon completion of the project. The credit term with the client is based on a progressive payment schedule for every parcel of completed road accepted and payable over a period of 10 years.

Current assets

Trade and other receivables increased by approximately RMB7.1 million or 13.8% from approximately RMB51.6 million as at 30 June 2020 to approximately RMB58.7 million as at 31 December 2020. This was mainly due to

- Receivable from business advisory fee approximately RMB3.4 million.
- For PPP project in China, the Group has billed approximately RMB1.7 million to the client upon additional completed road parcel was reviewed and approved by the client and will be collected from the client within 12 months as per the contract.

Other contract asset increased by RMB14.6 million from RMB5.5 million as at 30 June 2020 to RMB20.1 million as at 31 December 2020 was mainly due to additional road construction costs approximately RMB 20.1 million incurred for the 11st and 12st parcel of road. This construction cost for parcels of roads is incurred but not yet to be accepted by the client. Upon every acceptance of a road parcel by the client, the Group will recognize the revenue for the relevant parcels and transfer from other contract assets to trade receivables.

Current liabilities

Trade and other payables increased by approximately RMB31.9 million or 16.3% from approximately RMB195.3 million as at 30 June 2020 to approximately RMB227.2 million as at 31 December 2020. These increased were mainly attributable to increase in due to increase in trade payables of RMB5.8 million as well as increase in amount due to a shareholder by a subsidiary of RMB21.3 million. 宜宾路桥 is a shareholder of Bo Dao and also the main contractor for the project. The payment arrangement with 宜宾路桥 is upon receipt of payment from customer.

Review of Cashflow Position

Overall, cash and cash equivalents decreased by RMB1.2 million or 1.2% from RMB97.2 million as at 30 June 2020 to RMB96.0 million as at 31 December 2020 was due to net cash flow used in operating activities of RMB16.2 million and partly off-set by net cash flow generating from financing activities of RMB14.5 million.

Net cash flows used in operating activities of approximately RMB16.2 million for 2Q2021 was mainly due to changes in working capital for receivables and payables.

Net cash generating from financing activities of approximately RMB14.5 million was mainly attributable to amount due to a shareholder.

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

No forecast or prospect statement has previously been disclosed.

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

a) Trust Green City Township Development project ("Project")

- On 08 May 2020, the Company has entered into a Memorandum Of Understanding with the Army Welfare Trust ("AWT") of the People's Republic of Bangladesh in relation to the Project.
- On 30 November 2020, the Company has executed Final Agreement with AWT.

Upon execution of the Final Agreement, the Company is officially engaged by the AWT as the exclusive developer for the Residential Zone 02, 03 & 04 for Trust Green City, subject to certain conditions precedent to be satisfied by the Company and AWT.

The commencement date of the Project shall be set by both AWT and the Company upon certain pre-commencement work having been completed after the handover of the Project Land by AWT. The completion of the Project is slated to be not later than five (5) years from the Commencement Date.

For the purpose of this Project, 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 ("JVC") through its wholly-owned subsidiary, Raffles Infrastructure Development Pte. Ltd., ("RIDPL") (formerly known as Raffles Infrastructure Investments (Singapore) Pte. Ltd) with CPL to develop the Project.

All shares have been allotted and issued to RIDPL and CPL. The JVC is an indirect subsidiary of the Company, with RIDPL holding 85% of all the issued share capital of the JVC.

- On 21 December 2020, the Company announced that its wholly-owned subsidiary, Raffles Infrastructure Investments (Singapore) Pte, Ltd. ("RIPL"), now known as Raffles Infrastructure Development Pte. Ltd., has established a non-legally binding Memorandum of Understanding (the "MOU") with MCC Land (Singapore) Pte Ltd ("MCC Singapore") in relation to MCC Singapore's participation in the Project. Under the MOU, MCC Singapore will conduct due diligence exercises and a feasibility study on the Project. Upon satisfactory due diligence having been conducted by MCC Singapore, it is anticipated that MCC Singapore could participate in the Project as a project manager and main contractor and/or by making a direct investment into the Company or RIPL.

RIPL is in discussions with other specialist firms such as Surbana Jurong Private Limited with a view to appoint Surbana as Chief Designer and Architect for the Project.

b) Joint Venture for Business Advisory Services

On 02 November 2020, the Company has successfully entered a Joint Venture with Raffles Financial Private Limited. The Joint Venture Company is named as Raffles Infrastructure Capital Limited ("RCI"), formerly known as MFund Limited which was incorporated in Hong Kong.

The Board is of view that this Joint Venture for business advisory services is in line with the Company's on-going objective of seeking opportunities and growth in its business and operations with a diversity on revenue streams.

The Company will make further announcement when there are material developments in this matter.

c) Incorporation of wholly owned subsidiary

On 6 January 2021, the Company set up a new wholly owned subsidiary – Raffles Infrastructure Development Holdings Pte Ltd ("RIDH"). RIDH is incorporated for the purpose of holding real estate development investments.

11. Dividend

(a) Current Financial Period Reported On

None

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended for the financial year ended 31 December 2020 because the Company believes that it is more beneficial to re-invest the profits for the rapid growth of business.

13 Interested Person Transactions

The Group does not have any general mandate from shareholders for Interested Person Transactions. No interested person transactions exceeding S\$100,000 has been entered into by the Group for the year ended 31 December 2020.

14. Confirmation by the Board Pursuant to Rule 705(5) of SGX Listing Manual

The Board confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited consolidated financial results of the Group for the first quarter ended 31 December 2020, to be false or misleading in any material aspect.

15. Confirmation by the Board Pursuant to Rule 720(1) of SGX Listing Manual

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

16. Use of IPO proceeds

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

Use of IPO Proceeds	Amount allocated S\$'000	Amount Utilised S\$'000	Balance S\$'000
to construct new facilities and acquire new machinery	14,000	13,231	769
to expand Research & Development facilities	1,000	1,000	-
Working capital purposes	2,182	2,182	-
	17,182	16,413	769
Used of Placement Proceeds			
Project Investment ⁽¹⁾	22,900	7,048	15,852
Working capital purposes ⁽²⁾	7,000	4,542	2,458
	29,900	11,590	18,310
	47,082	28,003	19,079

(1) On 22 November 2020, the Company injected S\$ 67,620 (US\$50,000) into a new joint venture company - Raffles Infrastructure Development Bangladesh Ltd for pre-operational cost as the initial investment for Trust Green City Township Development project.

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

- i. Payroll and Staff related expenses (incl. Directors Fees) – S\$1.9 million
- ii Operating Expenses (incl. Rental, Stationery, Entertainments, Travelling) – S\$0.6million
- iii. Professional Fees (incl. Legal, Audit, Corporate Secretary Services etc) S\$2.0 million

BY ORDER OF THE BOARD
Eric Choo Han Kiat
Executive Director and CEO
10 February 2021