



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

Unaudited Condensed Interim Financial Statements
For The Second Quarter and First Half Year Ended 31 December 2022

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022**

TABLE OF CONTENTS

	Page
CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME.....	1
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION.....	2
CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY.....	3
CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS.....	5
NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS.....	6
OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2.....	23

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

		Group				
		Second Quarter		First Half Year		
Note	3 months ended 31 December 2022	3 months ended 31 December 2021	Increase/ Decrease	6 months ended December 2022	6 months ended 30 December 2021	Increase/ Decrease
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	6,386	25,678	-75%	40,875	25,678	59%
Cost of sales	(3,664)	(19,155)	-81%	(28,791)	(19,155)	50%
Gross Profit	2,722	6,523	-58%	12,084	6,523	85%
Other income	2,255	2,366	-5%	4,521	4,734	-4%
Distribution and marketing costs	(55)	-	n.m	(116)	-	n.m
Administrative costs	(2,729)	(1,352)	102%	(5,307)	(2,880)	84%
Finance costs	(7)	-	n.m	(15)	-	n.m
Profit before taxation	2,186	7,537	-71%	11,167	8,377	33%
Income tax	(298)	(988)	-70%	(2,181)	(988)	121%
Profit after taxation	1,888	6,549	-71%	8,986	7,389	22%
Other comprehensive income						
Exchange differences on translating foreign operations, net	(582)	(1)	n.m	(381)	(12)	n.m
Total comprehensive profit for the financial period	1,306	6,548	-80%	8,605	7,377	17%
Net profit attributable to:						
Equity holders of the Company	1,736	5,839	-70%	8,182	6,473	26%
Non-controlling interest	152	710	-79%	804	916	-12%
	1,888	6,549	-71%	8,986	7,389	22%
Total comprehensive profit attributable to:						
Equity holders of the Company	1,163	5,841	-80%	7,813	6,465	21%
Non-controlling interest	143	707	-80%	792	912	-13%
	1,306	6,548	-80%	8,605	7,377	17%

*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 31 DECEMBER 2022

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

	Group		Company	
Note	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Trade and other receivables	15	263,402	233,338	-
Property, plant and equipment	12	715	898	-
Investments in subsidiaries	13	-	-	515
Deferred tax assets	22	117	158	-
Total non-current assets		264,234	234,394	515
Current assets				
Contract assets	11	25,549	47,013	-
Amount due from subsidiaries	14	-	-	125,847
Trade and other receivables	15	59,760	64,682	-
Prepayments	16	880	283	367
Cash and cash equivalents	17	86,111	85,638	37
Total current assets		172,300	197,616	126,251
Total assets		436,534	432,010	126,766
LIABILITIES AND EQUITY				
Equity				
Share capital	18	192,187	192,187	192,187
Treasury shares	19	(24)	(24)	(24)
Reserves	20	(11,672)	(11,303)	93,087
Retained earnings/(Accumulated losses)		31,236	23,054	(159,536)
Non-controlling interests		22,544	21,752	-
Equity attributable to owners of the Company		234,271	225,666	125,714
Current liabilities				
Trade and other payables	21	175,039	180,541	1,052
Lease liabilities	23	233	442	-
Total current liabilities		175,272	180,983	1,052
Non-current liabilities				
Lease liabilities	23	304	294	-
Deferred tax liabilities	22	26,687	25,067	-
Total non-current liabilities		26,991	25,361	-
Total liabilities		202,263	206,344	1,052
Total liabilities and equity		436,534	432,010	126,766

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 31 DECEMBER 2022

	<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
Group									
Balance at 1 July 2021 (Audited)	192,187	(24)	93,087	(102,287)	(2,152)	12,570	193,381	20,581	213,962
Total comprehensive income for the period	-	-	-	-	-	6,473	6,473	916	7,389
Exchange differences arising on translation of foreign operation	-	-	-	-	(12)	-	(12)	-	(12)
Balance at 31 December 2021	192,187	(24)	93,087	(102,287)	(2,164)	19,043	199,842	21,497	221,339
Balance at 1 July 2022 (Audited)	192,187	(24)	93,087	(102,287)	(2,103)	23,054	203,914	21,752	225,666
Profit for the year	-	-	-	-	-	8,182	8,182	804	8,986
Exchange differences arising on translation of foreign operation	-	-	-	-	(369)	-	(369)	(12)	(381)
Total comprehensive income for the period	-	-	-	-	(369)	8,182	7,813	792	8,605
Balance at 31 December 2022	192,187	(24)	93,087	(102,287)	(2,472)	31,236	211,727	22,544	234,271

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

CONDENSED STATEMENT OF CHANGES IN EQUITY
SIX MONTHS ENDED 31 DECEMBER 2022

	← <u>Attributable to owners of the Company</u> → Reserve				
	Share capital RMB'000	<u>Treasury</u> shares RMB'000	Share premium RMB'000	Accumulate d losses RMB'000	
<u>Company</u>					
Balance at 1 July 2021 (Audited)	192,187	(24)	93,087	(155,700)	129,550
Total comprehensive loss for the period	-	-	-	(1,572)	(1,572)
Balance at 31 December 2021	192,187	(24)	93,087	(157,272)	127,978
Balance at 1 July 2022 (Audited)	192,187	(24)	93,087	(158,299)	126,951
Total comprehensive loss for the period	-	-	-	(1,237)	(1,237)
Balance at 31 December 2022	192,187	(24)	93,087	(159,536)	125,714

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS
SIX MONTHS ENDED 31 DECEMBER 2022

	<u>Note</u>	<u>Group</u>	
		<u>Six months</u>	<u>Six months</u>
		<u>ended 31</u>	<u>ended 31</u>
		<u>December 2022</u>	<u>December 2021</u>
		<u>RMB'000</u>	<u>RMB'000</u>
Operating activities			
Profit before income tax		11,167	8,377
Adjustments for:			
Depreciation of property, plant and equipment	12	247	23
Unrealised currency translation difference		(423)	-
Interest income	6	(114)	(142)
Finance costs		15	-
Operating cash flows before changes in working capital		10,892	8,258
<u>Changes in working capital:</u>			
Contract assets		21,464	(17,853)
Trade and other receivables		(25,739)	(15,086)
Trade and other payables		8,423	35,880
Cash generated from operations		15,040	11,199
Interest received		114	142
Income tax paid		(228)	-
Net cash generated from operating activities		14,926	11,341
Investing activity			
Acquisition of property, plant and equipment	12	(48)	-
Net cash used in investing activity		(48)	-
Financing activities			
Amount due to directors		(430)	(245)
Repayment to non-controlling interest of a subsidiary - Bo Dao		(13,817)	(13,927)
Repayment of principal portion of lease liabilities		(253)	-
Interest paid on lease liabilities		(15)	-
Net cash used in financing activities		(14,515)	(14,172)
Net increase/(decrease) in cash and cash equivalents		363	(2,831)
Cash and cash equivalents at beginning of financial period		85,638	91,243
Effect of currency translation		110	(12)
Cash and cash equivalents at end of financial period	17	86,111	88,400

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

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 of year ended 31 December 2022 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 embarked on the new business segment, namely digital infrastructure business in January 2022, which will focus on helping companies within the Regional Comprehensive Economic Partnership (RCEP) region, equipping businesses with the digital technological infrastructural backbone, strategic expertise, and digitalization capability to unlock growth opportunities in the growing digital economy quickly and affordably via the 5 key pillars of growth which include market entry advisory, RCEP supply chain infrastructure, software-as-a-service (SaaS), platform-as-a-service (PaaS), and Payment API.

2. Basis of preparation

The unaudited condensed interim financial statements for the second quarter and first half year ended 31 December 2022 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.

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.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

2.2 Use of judgements and estimates (Cont'd)

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

a) *Existing Infrastructure Business*

The Company provides construction services for the provincial government authority of Sichuan, China. 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 mandate in relation to explore and develop 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 data base 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 some 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 its highly probable that there will be no rescission of the contract and a significant reversal in the amount of revenue recognised will not occur. It is therefore appropriate to recognise revenue on the transaction upon the client's satisfactory and acceptance on the service provided.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

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 PRC and sales are denominated in RMB.

(iii) Impairment of investments in subsidiaries

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

During the 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 the PRC 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 of trade receivables

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

(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.

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.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

2.2 Use of judgements and estimates (Cont'd)

(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 the PRC and the digital infrastructure business in Singapore during 2QFY2023.

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

<u>Three months ended 31 December 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>	
Revenue	-	6,386	6,386
Gross profit	-	2,722	2,722
Other income	2,255	-	2,255
Administrative expenses	(132)	(1,800)	(1,932)
Tax expenses	-	(298)	(298)
Unsegment expenses	-	-	(859)
Net profit for the period			1,888

<u>Three months ended 31 December 2021</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>	
Revenue	25,678	-	25,678
Gross profit	6,523	-	6,523
Other income	2,342	-	2,342
Administrative expenses	(109)	-	(109)
Tax expenses	(988)	-	(988)
Unsegment expenses	-	-	(1,219)
Net profit for the period			6,549

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

4. Segment information (Cont'd)

<u>Six months ended 31 December 2022</u>	<u>Infrastructure</u> <u>Business</u> <u>(RMB'000)</u>	<u>Digital Infrastructure</u> <u>Business</u> <u>(RMB'000)</u>	<u>Total</u> <u>(RMB'000)</u>
Revenue	28,107	12,768	40,875
Gross profit	6,643	5,441	12,084
Other income	4,521	1	4,522
Administrative expenses	(269)	(3,459)	(3,728)
Tax expenses	(1,661)	(520)	(2,181)
Unsegment expenses	-	-	(1,711)
Net profit for the period			8,986

<u>Six months ended 31 December 2021</u>	<u>Infrastructure</u> <u>Business</u> <u>(RMB'000)</u>	<u>Digital Infrastructure</u> <u>Business</u> <u>(RMB'000)</u>	<u>Total</u> <u>(RMB'000)</u>
Revenue	25,678	-	25,678
Gross profit	6,523	-	6,523
Other income	4,688	-	4,688
Administrative expenses	(259)	-	(259)
Tax expenses	(988)	-	(988)
Unsegment expenses	-	-	(2,575)
Net profit for the period			7,389

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

4. Segment information (Cont'd)

The following is an analysis of the Group's assets and liabilities results 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>
31 December 2022				
Reportable segment assets				
- China	424,236	-	-	424,236
- Singapore	-	11,634	-	11,634
- Others	-	-	664	664
	<u>424,236</u>	<u>11,634</u>	<u>664</u>	<u>436,534</u>
Reportable segment liabilities				
- China	192,265	-	-	192,265
- Singapore	-	8,823	-	8,823
- Others	-	-	1,175	1,175
	<u>192,265</u>	<u>8,823</u>	<u>1,175</u>	<u>202,263</u>
30 June 2022				
	<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>
Reportable segment assets				
- China	422,915	-	-	422,915
- Singapore	-	8,713	-	8,713
- Others	-	-	382	382
	<u>422,915</u>	<u>8,713</u>	<u>382</u>	<u>432,010</u>
Reportable segment liabilities				
- China	200,178	-	-	200,178
- Singapore	-	4,060	-	4,060
- Others	-	-	2,106	2,106
	<u>200,178</u>	<u>4,060</u>	<u>2,106</u>	<u>206,344</u>

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

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.

	Group			
	3 months ended		6 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RMB'000	RMB'000	RMB'000	RMB'000
Infrastructure projects	-	25,678	28,107	25,678
Digital infrastructure business	6,386	-	12,768	-
	6,386	25,678	40,875	25,678

6. Other income

	Group			
	3 months ended		6 months ended	
	31-Dec-22	30-Dec-21	31-Dec-22	31-Dec-21
	RMB'000	RMB'000	RMB'000	RMB'000
Interest income- Bank deposits	52	69	114	142
Interest income- Unwinding of discount for non-current trade receivables	2,203	2,273	4,407	4,546
Government grants	-	22	-	44
Other incomes	-	2	-	2
	2,255	2,366	4,521	4,734

7. Profit before tax

Profit before income tax has been arrived at after charging:

	Group			
	3 months ended		6 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RMB'000	RMB'000	RMB'000	RMB'000
Professional and legal fee	246	243	589	659
Depreciation of property, plant	77	12	247	23
Directors' fee – directors of the Company	236	282	463	545
Staff costs				
- Key management	689	382	1,337	758
- Others	1,052	205	1,839	397
Rental expenses	38	24	72	59

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

8. Income tax expense

	Group			
	3 months ended		6 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
	RMB'000	RMB'000	RMB'000	RMB'000
Current income tax	298	-	520	-
Deferred income tax				
- Movement in temporary differences	-	988	1,661	988
	298	988	2,181	988

9. Earnings per share

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

	Group			
	3 months ended		6 months ended	
	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21
Earnings per share				
Earnings for the purposes of basic and diluted attributable to equity holders of the Company (RMB'000)	1,736	5,839	8,182	6,473
Number of shares				
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
Earnings per share (RMB)	0.03	0.09	0.12	0.10

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.

	The Group		The Company	
	As at	As at	As at	As at
	31 December	30 June	31 December	30 June
	2022	2022	2022	2022
Net asset value attributable to equity holders of the Company (RMB'000)	234,271	225,666	125,714	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
Net asset value per ordinary share (RMB)	3.45	3.32	1.85	1.87

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

11. Contract assets

	The Group	
	31 December	30 June
	2022	2022
	RMB'000	RMB'000
Asset recognised from costs incurred to fulfil a contract	25,549	47,013

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	Office	Computers	Motor	Total
	RMB'000	equipment	RMB'000	Vehicles	RMB'000
		RMB'000	RMB'000	RMB'000	RMB'000
Cost					
Balance at 1 July 2021	-	10	42	267	319
Additions	882	-	17	-	899
Currency translation difference	28	-	-	-	28
Balance at 30 June 2022	910	10	59	267	1,246
Additions	-	-	48	-	48
Currency translation difference	18	-	-	-	18
Balance at 31 December 2022	928	10	107	267	1,312
Balance at 1 July 2021	-	7	32	106	145
Depreciation	157	2	9	30	198
Currency translation difference	5	-	-	-	5
Balance at 30 June 2022	162	9	41	136	348
Depreciation	221	-	11	15	247
Currency translation difference	2	-	-	-	2
Balance at 31 December 2022	385	9	52	151	597
Carrying amount					
Balance at 31 December 2022	543	1	55	116	715
Balance at 30 June 2022	748	1	18	131	898

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

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

13. Investment in subsidiaries

	Company	
	31 December 2022	30 June 2022
	RMB'000	RMB'000
Unquoted equity shares, at cost	1,021	1,016
Additions	-	5
Allowance for impairment loss	(506)	(506)
At end of financial period	<u>515</u>	<u>515</u>

Movements in allowance for impairment loss are as follows:

	Company	
	31 December 2022	30 June 2022
	RMB'000	RMB'000
At beginning and at end of financial year	<u>506</u>	<u>506</u>

14. Amount due from subsidiaries

	Company	
	31 December 2022	30 June 2022
	RMB'000	RMB'000
Current loan account		
- Amount due from subsidiaries	<u>125,847</u>	<u>128,000</u>

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.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

15. Trade and other receivables

	Group	
	31 December 2022	30 June 2022
	RMB'000	RMB'000
Non-current :		
Trade receivables		
- Infrastructure project	249,850	221,268
Other contract assets		
- Infrastructure project	13,552	12,070
	263,402	233,338
Current :		
Trade receivables		
- Infrastructure project	50,474	59,923
- Digital infrastructure business	5,854	3,686
Deposit	106	82
Value-added tax receivables	3,133	668
Others	193	323
	59,760	64,682
	323,162	298,020

Non-current and current trade receivables pertain to infrastructure project which are receivables from the government authority over a 10-years term on straight-line method based on the contract terms.

Non-current other contract assets pertain to the receivables for the pre-operational costs, such as architect design fee, project inspection, and testing & audit fee, incurred for infrastructure project in China.

16. Prepayments

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Prepayments	880	283	367	76

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

17. Cash and cash equivalents

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Cash balances	4	4	-	-
Bank balances	86,107	85,634	-	36
	<u>86,111</u>	<u>85,638</u>	<u>37</u>	<u>36</u>

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

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000
Renminbi	81,901	81,507	-	-
United states dollars	1,657	3,569	-	-
Bangladeshi taka	175	193	-	-
Singapore dollar	421	300	37	36
Malaysia Ringgit	423	-	-	-
Indonesian Rupia	5	-	-	-
Philippine Peso	1,455	-	-	-
Euro dollar	74	69	-	-
	<u>86,111</u>	<u>85,638</u>	<u>37</u>	<u>36</u>

Cash and cash equivalents of RMB81,901,000 (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.

18. Share capital

	31 December 2022	30 September 2022	31 December 2022	30 September 2022	
	Par value US\$	Number of ordinary shares '000	Number of ordinary shares '000	RMB'000	RMB'000
Authorised:					
As at (US\$100,000,000)	0.40	250,000	250,000	615,347	615,347
				31 December 2022 USD'000	30 September 2022 USD'000
Issued and paid up:					
As at	0.40	67,960	67,960	27,181	27,181
Equivalent to RMB'000				<u>192,187</u>	<u>192,187</u>

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 30 September 2022 and as at 31 December 2022.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

19. Treasury share

	31 December 2022	31 December 2021	31 December 2022	31 December 2021
Paid up:	Number of treasury shares'000		USD'000	
At beginning and end of the financial period/year	8	8	3	3
Equivalent to RMB'000			24	24

The Company had acquired an accumulated total of 200,000 of its own shares through purchases on 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.

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 31 December 2022, 8,000 treasury shares are held by the Company.

20. Reserves

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	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	(2,472)	(2,103)	-	-
Merger reserve	(102,287)	(102,287)	-	-
	<u>(11,672)</u>	<u>(11,303)</u>	<u>93,087</u>	<u>93,087</u>

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022**

Notes to the condensed interim consolidated financial statements

20. Reserves (Continued)

(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.

21. Trade and other payables

	<u>Group</u>		<u>Company</u>	
	<u>31 December 2022</u>	<u>30 June 2022</u>	<u>31 December 2022</u>	<u>30 June 2022</u>
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Trade payables				
- Related party	60,221	57,131	-	-
- Third parties	6,668	2,272	-	-
Accrued operating expenses	2,277	2,662	144	597
Amount due to directors	269	699	47	374
Amount due to a subsidiary	-	-	156	-
Amount due to non-controlling interest of a subsidiary - Bo Dao	104,871	117,365	-	-
Tax payables	733	412	-	-
Other payables	-	-	705	705
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total trade and other payables	<u>175,039</u>	<u>180,541</u>	<u>1,052</u>	<u>1,676</u>

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.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

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:

	Group	
	31 December 2022	30 June 2022
	RMB'000	RMB'000
Deferred tax liabilities	26,687	25,067
Deferred tax assets	(117)	(158)
At end of the period	<u>26,570</u>	<u>24,909</u>

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

	Group	
	31 December 2022	30 June 2021
	RMB'000	RMB'000
Deferred tax liabilities		
At beginning of the year	25,067	23,639
Recognised in profit or loss from the infrastructure project in China	1,661	1,277
Recognised in profit or loss due to right-of-use assets in Singapore and China	(42)	151
Currency translation difference	1	-
At end of the period	<u>26,687</u>	<u>25,067</u>

	Group	
	31 December 2022	30 June 2022
	RMB'000	RMB'000
Deferred tax assets		
At beginning of the year	158	-
Recognised in profit or loss due to lease liabilities in Singapore and China	(43)	158
Currency translation difference	2	-
At end of the period	<u>117</u>	<u>158</u>

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

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:

	Group	
	31 December 2022	30 June 2022
	RMB'000	RMB'000
Building – Singapore office	307	428
Building – China office	236	320
	<u>543</u>	<u>748</u>

(b) Current and non-current lease liabilities

	Group	
<u>Current</u>	31 December 2022	30 June 2022
	RMB'000	RMB'000
Building – Singapore office	147	274
Building – China office	86	168
	<u>233</u>	<u>442</u>

	Group	
<u>Non- Current</u>	31 December 2022	30 June 2022
	RMB'000	RMB'000
Building – Singapore office	153	144
Building – China office	151	150
	<u>304</u>	<u>294</u>

(c) Amount recognised in profit or loss

	Group	
	31 December 2022	31 December 2021
	RMB'000	RMB'000
Depreciation of ROU	221	-
Interest on lease liabilities	15	-
Expenses relating to short-term leases	72	59
	<u>308</u>	<u>59</u>

(e) total cash outflow for the lease was RMB 340,000 (2QFY2022: RMB59,000)

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

Notes to the condensed interim consolidated financial statements

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:

	Group		Company	
	3 months ended 31 December 2022	3 months ended 31 December 2021	3 months ended 31 December 2022	3 months ended 31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term employee benefits	925	664	345	301

	Group		Company	
	6 months ended 31 December 2022	6 months ended 31 December 2021	6 months ended 31 December 2022	6 months ended 31 December 2021
	RMB'000	RMB'000	RMB'000	RMB'000
Short-term employee benefits	1,800	1,303	345	563

25. Financial instruments by category

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

	Group		Company	
	31 December 2022	30 June 2022	31 December 2022	30 June 2022
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Financial assets</i>				
At amortised cost	434,716	382,990	125,884	128,036
<i>Financial liabilities</i>				
At amortised cost	175,576	181,277	1,052	1,676

Other Information Required by Listing Rule Appendix 7.2

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION

1. Review

The unaudited condensed interim consolidated statement of financial position of Raffles Infrastructure Holdings Limited and its subsidiaries as at 31 December 2022 and the related condensed consolidated profit or loss and other comprehensive income for the second quarter and first half of year ended, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the first half of year then ended and certain explanatory notes have not been audited or reviewed.

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

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

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

Not applicable.

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

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

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

Review of Financial Performance

Revenue, Gross Profit and Gross Margin

The Group's revenue grew 59% year-on-year to RMB40.9 million in 1HY2023 was mainly attributable to the revenue of RMB28.1 million from the Infrastructure Business segment and RMB12.8 million from the Digital Infrastructure segment respectively. The decline in revenue by 75% to RMB6.4 million in 2QFY2023 was mainly due to the absence of revenue recognised for the roadway construction project ("Bo Dao Project") during 2QFY2023.

Overall the GP margin improved from 25.4% in 1HY2022 to 29.6% in 1HY2023, in particular the GP margin increased significantly from 25.4% in 2QFY2022 to 42.6% in 2QFY2023, mainly driven by higher GP margin from the Digital Infrastructure Business.

Infrastructure Business – Bo Dao Project

Bo Dao Project was arranged under the Public-Private Partnership ("PPP") with the Provincial Government ("the Client"), Xinwen Transportation Bureau (兴文交通局), in the People's Republic of China in 2016. The total projected revenue for the Bo Dao Project is approximately RMB816.2 million which comprises the committed project value of RMB550 million and investment return of RMB266.2 million which is 8.8% per annum for each completed road parcel according to the PPP arrangement. The Company has recognized a total revenue of RMB506.4 million as of 31 December 2022 upon the receipts of RMB173.1 million. A further RMB68.1 million has been approved by the Client for the on-going road parcels which is pending for the collection upon its completion, and RMB241.6 million remains outstanding for the Bo Dao Project. As at 31 December 2022, 13 road parcels have been completed and construction on 4 road parcels are on-going.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION (Cont'd)

Review of Financial Performance (Cont'd)

Infrastructure Business – Bo Dao Project (Cont'd)

During 1HY2023, the Company had undiscounted revenue of RMB31.8 million pertaining to the income from two completed road parcels, namely 下同路和久陈路, upon satisfying the identified single performance obligation by receiving the initial cash payment of approximately RMB 3.8 million from the Client. Accordingly, a total revenue of approximately RMB28.1 million is recognised after taking into effect the time value of money amounting to approximately RMB3.7 million.

The time value of money adjustment is computed based on the future cash flows discounted at the prevailing 1, 2, 3, 5, 7 and 10-years China Government Bond Yield rates. Under the terms of PPP agreement, the revenue shall be paid to the Group in an equal amount over 10 years period. As such, the Group recognises the significant financing component by adjusting the promised amount of consideration to reflect the time value of money in the arrangement in accordance with *SFRS(I) 15 Revenue from Contracts with Customers*.

To date, the project milestones for each road parcel have been closely monitored, assessed and met in an orderly manner. The Company wishes to state that no default on milestones have occurred as of the date of this announcement.

Digital Infrastructure Business

In January 2022, the Company has repositioned its business strategy to the Digital Infrastructure Business. The Company's target customers include micro, small and medium enterprises ("MSMEs"), and the Company identifies opportunities through its business contacts and network. Total revenue of RMB 12.8 million is generated from the software-as-a-service (SaaS) unit and platform as-a-service (PaaS) unit.

a) SaaS Business Unit

Total revenue of approximately RMB6.3 million in 2QFY2023 and RMB12.7 million in 1HY2023 from the SaaS business unit, which represents 99% of total revenue of Digital Infrastructure Business Segment. SaaS business unit comprises one-time fees for setting up the customized e-platform amounting to RMB0.6 million in 1HY2023 as well as the monthly maintenance services amounting to RMB6.3 million in 2QFY2023 and RMB12.1 million in 1HY2023. The Company's customers are mainly micro, small and medium enterprise from the Philippines and Hong Kong.

In accordance with *SFRS(I) 15 Revenue from Contracts with Customers*, the revenue is recognised upon the client's satisfactory and acceptance on the service provided. Upon completion of the work performed, the Company will submit an acceptance form and issue an invoice to the client, and revenue is recognized upon the client's acknowledgement by returning the signed acceptance form.

b) PaaS Business Unit – Advertising & Marketing services

The Group provides smart digital marketing and advertisement services to customers who only pay for the media costs to display their products or services on various media platforms. In these instances, the Company is acting as the agent between the customers and the media platforms, and will earn the profit margin based on rebates given by the different media platforms on a referral business model.

Upon delivery of the advertising services by the Company, the customers will make payment after 15 days upon acceptance of the services provided. The Company will take into account the costs involved including the fees payable/rebates to/from the various media platforms.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION (Cont'd)

Review of Financial Performance (Cont'd)

Digital Infrastructure Business (Cont'd)

b) PaaS Business Unit – Marketing and Advertising services (Cont'd)

The Company tracks its revenue by utilising its backend system to monitor the data flow from the various media platforms (i.e. cost of advertisements) for the respective customer. Monthly statement of accounts will then be issued for the customer's acceptance

The revenue recognised at a net basis from the Advertising & Marketing services is approximately RMB37,000 in 2QFY2023 and RMB70,000 in 1HY2023.

Other Income

Other income decreased by approximately RMB0.1 million or 5% from RMB2.4 million in 2QFY2022 to RMB2.3 million in 2QFY2023 mainly due to decrease in unwinding of discounts in conjunction with non-current trade receivables by approximately RMB70,000 in Q2FY2023 and government grants received of approximately RMB22,000 in 2QFY2022.

Other income decreased by RMB0.2 million or 4% from RMB4.7 million in 1HY2022 to RMB4.5 million in 1HY2023 mainly due to decrease in unwinding of discounts in conjunction with non-current trade receivables by approximately RMB140,000 in 1HY2023 and government grants received of approximately RMB44,000 in 1HY2022.

The unwinding of discount in conjunction with non-current trade and other receivables was carried at amortised cost, in view of the time value of money. The Group has applied discounting on non-current trade and other 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

Administrative expenses significantly increased by approximately RMB1.3 million or 102% from approximately RMB1.4 million in 2QFY2022 to RMB2.7 million in 2QFY2023 as well as increased by approximately RMB2.4 million or 84% from approximately RMB2.9 million in 1HY2022 to approximately RMB5.3 million in 1HY2023 mainly due to :

- a) Increase in total employees' costs including the key management personnel by approximately RMB1.2 million from RMB0.5 million in 2QFY2022 to RMB1.7 million in 2QFY2023 and approximately RMB2.0 million from RMB1.2 million in 1HY2022 to RMB3.2 million in 1HY2023. This is mainly due to an increase in the Group's headcount by 25 from 6 in 1HY2022 to 31 in 1HY2023, which is mainly recruited under one of the subsidiaries - Wuhan Raffles Technology Co., Ltd which was newly incorporated on 20 June 2022 as part of its business strategy to focus on the Digital Infrastructure Business.
- b) Increase in depreciation charge of property, plant and machinery by approximately RMB0.2 million from RMB23,000 in 1HY2022 to RMB247,000 in 1HY2023. This is due to the depreciation of the right-of-use of assets recognised for the two office buildings in Singapore and China respectively.
- c) Research and development costs of approximately RMB0.2 million incurred in 2QFY2023 and 1HY2023 respectively. The costs arise from the research, development and innovation in our in-house technological products and services under the PaaS business.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION (Cont'd)

Review of Financial Performance (Cont'd)

Finance cost

Finance costs comprise 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 Profit

As a result of above, the Group registered a net profit attributable to equity owners of the Company of RMB 1.7 million for 2QFY2023 and RMB8.2 million for 1HY2023 as compared to the net profit of RMB5.8 million for 2QFY2022 and RMB6.5 million for 1HY2022.

Review of Financial Position

Non-current assets

Trade and other receivables increased by approximately RMB30.1 million or 13% from approximately RMB233.3 million as at 30 June 2022 to approximately RMB263.4 million as at 31 December 2022. This is mainly due to total revenue of RMB31.8 million (before the adjustment of time value of money) generated from Bo Dao project in 1HY2023 upon the acceptance by the Client on the two completed road parcels (i. e. 下同路和久陈路).

Under the PPP arrangement, 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. The Company considered that the expected credit losses ("ECL") on non-current trade and other receivables were immaterial given that the Client is the Provincial Government where the funds allocated for this project has already been budgeted for and approved. There is no default on milestone payments as of the date of this announcement.

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 31 December 2022 RMB mil	Non-current trade and other receivables 31 December 2022 RMB mil	Total RMB mil
Trade receivables	50.5	282.8	333.3
Less: Adjustments for time value of money	-	(55.0)	(55.0)
Add: Adjustments for unwinding of discounts cash flow	-	22.0	22.0
Other contract assets *	-	13.6	13.6
Total trade and other receivables	50.5	263.4	313.9

* Please refer to the following breakdown of other contract assets:

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION (Cont'd)

Review of Financial Position (Cont'd)

Non-current assets (Cont'd)

	RMB mil
Architect design costs	2.3
Audit fees	0.4
Pre-administrative costs #	12.1
Inspection & testing costs	0.4
Less: Adjustments for time value of money on non-current other contract assets	(2.0)
Add: Adjustments for unwinding of discounts cash flow	0.4
Total other contract assets as at 31 December 2022	13.6

The pre-administrative costs of RMB12.1 million mainly comprise labour costs of RMB7.6 million, marketing expenses of RMB1.0 million, travelling expenses of RMB1.0 million, office rental of RMB1.1 million, office expenses of RMB 1.1 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 Client (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	Total	
Billing date	20.0				52.4				3.9	173.1	
Payment date		0.7	40.0	11.6	14.3	3.0	25.8	7.5	5.7	173.1	

Future billing/payment dates (RMB: mil):

	Feb 23	Aug 23	Dec 23	Jan 24	Aug 24	Dec 24	Jan 25
Billing date	53.8	32.6	19.9		30.8	18.8	
Payment date	53.8			52.5			49.6
	Aug 25	Dec 25	Jan 26	Aug 26	Dec 26	Jan 27	Aug 27
Billing date	29.0	17.7		27.2	16.6		26.2
Payment date			46.7			43.8	
	Dec 27	Jan 28	Aug 28	Dec 28	Jan 29	Aug 29	Dec 29
Billing date	15.5		16.7	10.2		7.5	4.5
Payment date		41.7			26.9		
	Jan 30	Aug 30	Dec 30	Jan 31	Total		
Billing date		3.6	2.7		333.3		
Payment date	12.0			6.3	333.3		

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

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION (Cont'd)

Review of Financial Position (Cont'd)

Current assets

Trade and other receivables

Trade and other receivables decreased by approximately RMB4.9 million or 8% from approximately RMB64.7 million as at 30 June 2022 to approximately RMB59.8 million as at 31 December 2022 mainly due to :

- (i). decrease in trade receivables of approximately RMB9.4 million in infrastructure project as a result of total receipts of RMB 13.2 million for the Bo Dao Project during 1HY2023, which includes RMB3.8 million for the two completed road parcels and RMB9.4 million in reference to the previous completed road parcels which were due for payments against the increase in value-added tax receivables of approximately RMB2.5 million to the main contractor of Bo Dao Project.
- (ii). Increase in trade receivables in digital infrastructure business by approximately RMB2.2 million as a result of revenue growth during 1HY2023.

Contract assets

Contract assets decreased by approximately RMB21.5 million or 46% from RMB47.0 million as at 30 June 2022 to RMB25.5 million as at 31 December 2022. This was mainly due to total contract assets of RMB21.5 million for the two completed road parcels (i.e. 下同路和久陈路) which have been transferred into the cost of sales and revenue upon the receipts of initial payments from the Client.

Please refer to the following project status including total completed road parcels and current on-going road parcels as at 31 December 2022:

	Name of road parcels completed	Revenue RMB (mil)	Costs RMB (mil)
1.	晏罗路前段& 晏罗路后段	122.6	82.7
2.	毛村产业连接线	16.5	11.1
3.	塘大路	55.3	37.3
4.	大白路	44.1	29.7
5.	琪晏路	24.3	15.4
6.	水泸坝产业路	18.9	12.0
7.	生命防护工程	72.4	48.8
8.	久瑞路	11.3	7.6
9.	樊王山环城南路	19.3	13.0
10.	叙兴路	62.9	42.4
11.	九毓路	27.0	18.2
12.	久陈路	5.5	3.7
13.	下同路	26.3	17.8
	Total revenue recognized	506.4	339.7

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION (Cont'd)

Review of Financial Position (Cont'd)

Current assets (Cont'd)

Contract assets (Cont'd)

	Name of on-going road parcels	Revenue RMB (mil)	Costs RMB (mil)
1	九六路	Both project costs are recognized under contract assets as at 31 December 2022 and pending for the collection once the road parcels are fully completed.	12.9
2	麒新路		12.6
3	海纳路	Both 海纳路 and 云顶路 are on-going but the project costs incurred are still pending for the Client's acceptance. The Company will account for the project costs as contract assets upon the acceptance and approval from the Client.	
4.	云顶路		
	Total contract assets		25.5

Current liabilities

Trade and other payables decreased by approximately RMB5.5 million or 3% from approximately RMB180.5 million as at 30 June 2022 to approximately RMB175.0 million as at 31 December 2022. This was mainly due to decrease in amount due to non-controlling interest of a subsidiary – 宜宾路桥 by approximately RMB12.5 million or 11% from RMB117.4 million as at 30 June 2022 to RMB104.9 million as at 31 December 2022 as a result of repayment of RMB13.8 million to 宜宾路桥 during 1HY2023.

Review of Cashflow Position

Overall, cash and cash equivalents increased by RMB0.5 million or 0.6% from RMB85.6 million as at 30 June 2022 to RMB86.1 million as at 31 December 2022. This was mainly due to the decrease in the repayment to non-controlling interest of a subsidiary - 宜宾路桥 from approximately RMB31.7 million during financial year ended 30 June 2022 as compared to RMB13.8 million during financial period ended 31 December 2022.

- 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.**

2022 was an eventful year marked with global uncertainties and new challenges. The Group remains resilience and stabilization in this midst of volatility in the macro environment in terms of the revenue and net profit which are continuously growing. Moving forward, the Group will continue to focus on accelerating our Digital Infrastructure Business by penetrating more markets in ASEAN countries to deliver our valuable digital services.

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022**

OTHER INFORMATION (Cont'd)

The Company has generated cumulative revenue of RMB22.6 million for the Digital Infrastructure Business since January 2022:

a) SaaS business unit

The Company is still developing its technological know-how and capabilities, therefore we will form strategic partnership(s) with firm(s) with the requisite technology so that the Company can leverage on their existing products to customise and provide SaaS to its client. Currently the Company has engaged Chengdu Bowen Jinfu Technology Co. Ltd., a third-party technology provider, to customise and provide the SaaS to the Company's clients.

b) PaaS Business unit – Marketing & Advertising services

This service is complementary to the digitalization of the various micro, small and medium enterprises (MSMEs) across the RCEP region. Digitalization as global flows are resilient and promote resilience. Even in the face of significant disruption in recent years, such as Covid-19, shortages in supply chain and inflation spikes, such global flows have proved remarkably robust. Therefore, the Group remains optimistic on the market demand for this business as our digital services is able to cater to customers who desire to expand and promote their products and services in both ASEAN and global market.

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/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for the financial period ended 31 December 2022 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.

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 financial period ended 31 December 2022.

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022

OTHER INFORMATION (Cont'd)

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:

	Amount allocated	Amount Utilised	Balance
	S\$'000	S\$'000	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*

* 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:

	Amount allocated	Amount utilized	Balance
	S\$'000	S\$'000	S\$'000
Project investment	22,900	7,048	15,852
Working capital purpose ⁽¹⁾	7,000	6,557	443
Total	29,900	13,605	16,295

⁽¹⁾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.

**RAFFLES INFRASTRUCTURE HOLDINGS LIMITED AND ITS SUBSIDIARIES
UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SECOND QUARTER
AND FIRST HALF YEAR ENDED 31 DECEMBER 2022**

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 period and first half year ended 31 December 2022 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Ryan Chiu Tzong Min
Executive Director

14 February 2023

Chay Yiowmin
Audit Committee Chairman & Non-
Executive Lead Independent Director
14 February 2023