
PROJECT UPDATE - TRUST GREEN CITY

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”) and together with its subsidiaries, (the “**Group**”) refers to the following announcements:

- (a) the announcement dated 13 December 2019 in relation to the entry into a non-binding memorandum of understanding with KORAMCO Fund;
- (b) the announcement dated 23 December 2019 in relation to the Company’s responses Singapore Exchange Securities Trading Limited (the “**SGX-ST**”)’s queries;
- (c) the announcement dated 8 May 2020 in relation to the entry into a memorandum of understanding with the Army Welfare Trust of the People’s Republic of Bangladesh (“**AWT**”); and
- (d) the announcement dated 30 November 2020 in relation to the entry into a final agreement on 30 November 2020 (the “**Final Agreement**”) with AWT.

The Board would like to provide an update in relation to the status on the township development project in Dhaka, Bangladesh with the Army Welfare Trust of the People’s Republic of Bangladesh.

BACKGROUND

In 2019, the Army Welfare Trust of the People’s Republic of Bangladesh (“**AWT**”) conducted procedures to select and appoint a developer for a new integrated residential township project, named Trust Green City (the “**Project**”) in Baunia, Dhaka, Bangladesh. The Company, amongst several other participants, submitted proposals for this Project.

In February 2020, the Company’s proposal was selected and the Company was invited to formulate a memorandum of understanding with the AWT, which was executed on 7 May 2020, followed by the Final Agreement on 30 November 2020.

TERMS OF THE FINAL AGREEMENT

The Final Agreement sets out the commercial terms and the obligations and responsibilities of each party thereto in respect of the Project, including the technical specifications and requirements of the Project. It also contains certain conditions precedent to be satisfied by each party. Shareholders are advised to refer to the full text of the announcement made by the Company on 30 November 2020, which is available [here](#).

UPDATES ON THE FINAL AGREEMENT

Following the execution of the Final Agreement in November 2020, the Company and AWT commenced the necessary work towards meeting the obligations respectively, however, at an allowable pace with the disruptions arisen from the Covid-19 pandemic and travel restrictions.

The Board wishes to update that the Company has been trying to resolve certain issues in connection with the Project with AWT. The Company has not been able to come to an agreement with various affiliated partners on the financing agreements in connection with the Project and the terms of payment to AWT according to certain phases and development.

The Company had previously received a letter dated 15 March 2021 (“**15 March 2021 Letter**”) from Trust Green City (A Concerned of Army Welfare Trust) that, *inter alia*, AWT has terminated the Final Agreement with certain allegations of breaches under the Final Agreement against RIH. The Company is in the midst of seeking clarification with AWT on whether the Final Agreement has been terminated as stated in the 15 March 2021 Letter given that the party that issued the 15 March 2021 Letter is an entity known as the Trust Green City (A Concerned of Army Welfare Trust) which is not the contracting party to the Final Agreement.

The Company has previously sought advice to negotiate the terms for mutual termination of the Final Agreement with AWT. However, the Company has been advised by Bangladesh legal advisers that it is practically challenging to expect a response from AWT further to the 15 March 2021 Letter as the officer-in-charge of the project is no longer with AWT.

As the communications with AWT has not been forthcoming and there have been no fruitful developments in respect of the Project, the Company has decided to seek to terminate the Final Agreement and conclude any other matters in connection with the Final Agreement.

The Company will be engaging a legal adviser to advise the Company on (a) whether the Final Agreement has been terminated as alleged in the 15 March 2021 Letter, (b) if termination has not been effected, the Company will be seeking advice on the next steps to take to terminate the Final Agreement, and (c) the legal implications under Bangladesh laws on the Company arising from the termination of the Final Agreement whether pursuant to the 15 March 2021 Letter or otherwise.

FINANCIAL IMPACT

The Company has not made any financial contribution to the project, and the project has not started. Accordingly, as at the date of this announcement, the termination of the Final Agreement is not expected to have a material impact on the net tangible assets per share and the earnings per share of the Company for the financial year ending 30 June 2022.

The Company will make the necessary announcements in compliance with the Listing Manual as and when appropriate and where there are material developments.

DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in relation to the termination of the Final Agreement other than through their shareholdings (if any) in the Company.

CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Raffles Infrastructure Holdings Limited

Ryan Chiu Tzong Min

Executive Director and Deputy Chief Executive Officer

2 March 2022