
RESPONSE TO SGX-ST QUERIES

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”) and together with its subsidiaries, (the “**Group**”) would like to provide the following information in response to the queries from the Singapore Exchange Securities Trading Limited in relation to the Company’s Annual Report 2022.

QUERY 1

Please disclose the reason for the resignation of company secretary Ms Shu Shin Yee and whether there are any unresolved differences in opinion on material matters with the Board of directors including matters which would have a material impact on the group or its financial reporting. To also disclose whether there is any matter in relation to the cessation that needs to be brought to the attention of the shareholders of the Company.

RESPONSE:

Ms Shu Shin Yee resigned from ShookLin & Bok (“SLB”) and accordingly, she ceased to act as a company secretary of SLB’s corporate clients, including the Company. There are no unresolved differences in opinion on material matters with the Board of directors including matters which would have a material impact on the Group or its financial reporting. There is no matter in relation to the cessation that needs to be brought to the attention of the shareholders of the Company.

QUERY 2

Provision 9.2 of the Code of Corporate Governance requires the Board to disclose in the annual report that it has received assurance from the CEO and CFO that the financial records have been properly maintained and financial statements give a true and fair view of the Company’s operations and finances. The Company disclosed that the Board has received assurance from the Deputy CEO but not the CFO because the Company has yet to appoint one.

- a. Please disclose the reasons why the Company has not been able to appoint a CFO since 31 July 2020 and the steps taken by the Company to search for a suitable candidate since resignation of the former CFO on 31 July 2020.
- b. Provision 10.1 of the Code of Corporate Governance states that the Audit Committee’s (“AC”) duties include reviewing significant financial reporting issues and judgements to ensure the integrity of financial statements, reviewing the adequacy and effectiveness of the company’s internal controls and risk management systems, and reviewing the assurance from the CEO and CFO on the financial records and financial statements. Please robustly justify how the AC is able to discharge its duties effectively without a CFO and how financial and accounting matters, risk management and internal control systems of the Company can be properly conducted without a CFO.

- c. The Company has appointed Ryan Chiu as a deputy CEO. Please disclose who is the CEO of the Company and if the Company does not have one, to disclose when the Company will be appointing a CEO;
- d. Please disclose who is heading the finance function and undertaking the role of the CFO in the Company currently and who are the persons checking on the Company's payments and receipts. Please also disclose who are the persons approving payments from the Company's bank accounts and details of the internal controls in place in respect of the Company's bank accounts;
- e. Please disclose the internal controls in place in relation to the approval of Company's accounting records and the names and designations of these persons in the Company who have been tasked with these responsibilities.

RESPONSE:

- a. Between 31 July 2020 and December 2021, the Company has interviewed a number of potential candidates through recruitment advertisements and referral. However, none of the candidates joined in the end mainly due to a mismatch of expected remuneration.

In view of the above and as the Company embarks on its new digital infrastructure business announced on 22 December 2021, the Company has diverted its focus on internal promotion and is currently assessing the suitability of its Group Financial Controller, Ms Xie Li Sherry ("Ms Xie"), who has been overseeing the Group's finance and accounting function since October 2020.

- b. As mentioned above, the Group Financial Controller, Ms Xie, has been overseeing the Group's finance and accounting function since October 2020, pending the formal appointment of a CFO. Notwithstanding the absence of a CFO, the Board notes that Ms Xie, the Group Financial Controller, has since October 2020 been up to the task and has performed to the expectations of the Board. Accordingly, the management is currently assessing the suitability of Ms Xie to take on the role of CFO based on, inter alia, her qualifications, experience and work performance, and will recommend her to the AC and NC for consideration after it has completed its evaluation.

While the AC recognizes the importance of appointing a CFO, it is also cognizant of appointing a suitable candidate. Further, the AC is of the view that the adequacy and effectiveness of financial and accounting matters, risk management and internal control systems of the Company does not rest alone with the CFO but also the internal and external auditors of the Company. In this regard, based on the work performed by the internal and external auditors, the Board, with the concurrence of AC, is of the opinion that, the system of internal controls maintained by the Group's Management throughout the financial period ended 30 June 2022 is adequate and effective to address the financial, operational, compliance and information technology risks within the Group's business operations.

- c. Pending the formal appointment of a CEO, the Group's Deputy CEO, Mr. Ryan Chiu is responsible for the overall management of the Company since his appointment on 13 December 2021, while the previous CEO, Mr. Eric Choo Han Kiat ("Mr Choo") was redesignated as Executive Officer on 10 May 2022 to oversee the day-to-day business and operations in the PRC, namely the Bo Dao Project. The Company has also instituted a reporting line in which Mr. Choo will report directly to Mr. Ryan Chiu, and both of them will report directly to the Board. As the Company is currently focusing its attention

and resources on its new Digital Infrastructure Business, the Management will consider hiring a CEO at the appropriate time after taking into account, inter alia, the size and scale of its business and operations.

- d. Ms. Xie, the Group Financial Controller is currently undertaking the role of the CFO and together with the Deputy CEO, Mr. Ryan Chiu and the Non-Executive and Non-Independent Director Ms. Yuanita Tjia (“Ms Yuanita”), they are responsible for reviewing and approving the Company’s payments and receipts via internet banking. The payment and receipts of the Bo Dao Project in the PRC is monitored and reconciled by the Company’s China Chengdu Finance Team, headed by Mr. Jiang Jian Peng (Financial Controller, China), who reports to Ms. Xie and Mr. Choo who are based in Singapore on a regular basis. Ms. Xie will also present the Group consolidated accounts to Mr. Ryan Chiu, the AC and Board for their review on a monthly basis.

The bank balances are also reviewed and reconciled by the management team in Singapore in order to keep track of the payments and receipts, and in the event of any discrepancies, the Management will immediately raise such matters to the Board for their attention and consideration.

In accordance with the Board approval matrix, payments and receipts are checked and verified by Ms. Xie before submitting to Mr. Ryan Chiu and Ms Yuanita for approval, while bank transactions will be subject to approval from three authorized personnel, namely, Ms. Yuanita, Mr. Ryan Chiu and Ms. Xie.

- e. Ms. Xie assisted by the finance team in Singapore and Mr. Jiang Jian Peng in China is responsible for the Group’s accounting records. Along with the internal controls in place in respect of the Company’s bank accounts, the Deputy CEO, the AC and the Board will also review, inter alia, the performance of the Management, receive business updates of the Group, and review the Group’s accounts on a monthly basis or as and when required to safeguard shareholders’ interest and the Company’s assets.

QUERY 3

Listing Rule 1207(10C) states that the Company must state in its annual report the AC's comment on whether the internal audit function is independent, effective and adequately resources. The Company has not disclosed this in its annual report. Please disclose accordingly.

RESPONSE:

As disclosed in the annual report, the internal audit function is outsourced to Crowe Horwath First Trust Risk Advisory Pte. Ltd., and the AC also reviews, at least annually, the adequacy and effectiveness of the internal audit function including the qualifications and experience of the internal audit staff assigned to perform the reviews.

The AC has reviewed and is satisfied that the Group’s internal audit function is independent, effective and adequately resourced.

QUERY 4

Listing Rule 1207(18B) requires the Company to provide an explanation of the Company has complied with, inter alia, the issuer disclosing its commitment to ensure protection of the whistleblower against detrimental or unfair treatment, and the AC being responsible for oversight and monitoring of whistleblowing. The Company has not disclosed this in its annual report. Please disclose accordingly.

RESPONSE:

As disclosed in the annual report, the Company has in place a whistle-blowing policy where employees of the Group may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters, to the AC.

For clarity, the Company has in place a whistle-blowing policy, endorsed by the AC, which provides an accessible channel for employees of the Group to raise concerns to the AC about possible corporate improprieties or possible fraudulent activities in matters of financial reporting, misconduct or wrongdoing relating to the Group and its officers or other matters. Details of the whistleblowing policies and arrangements have been made available to all employees. It has a well-defined process which ensures independent investigation of issues or concerns raised and appropriate follow-up action, and provides assurance to the whistle-blowers that the identity of the whistle-blowers will be kept confidential and the whistle-blowers will be protected from reprisal within the limits of the law for whistle-blowing in good faith. The whistle-blowing policy and procedures are reviewed by the AC from time to time to ensure that they remain relevant. There were no whistle-blowing reports received in FY2022.

QUERY 5

The Company disclosed that it had utilized S\$13,231,000 of IPO proceeds to construct initial new facilities and acquire new machinery. Please provide a breakdown and quantify the amount spent on these new facilities and the type of new machineries acquired. Please also explain what these new machineries were used for, the capacity of these machinery acquired and the location of these new facilities constructed.

REPOSENSE:

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.

QUERY 6

Listing Rule 1207(20) states that, where proceeds raised from IPO and placements are used for general working capital purposes, the issuer must announce a breakdown with specific details on the use of proceeds for working capital. The Company has not provided the required breakdown on the use of IPO and placement proceeds for working capital purpose in its annual report. Please disclose accordingly. Please also disclose details for the usage of placement proceeds for project investment, including a brief description of each project, the parties involved, whether the project is still ongoing and the amount of proceeds utilised.

RESPONSE:

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 disclosed in its unaudited financial statements for FY2022 announced on 29 August 2022, the breakdown of the use of Placement proceeds of S\$6.5 million for working capital purpose is as follows:

- i. Payroll and staff related expenses (incl. Directors Fees) – S\$2.7 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.

The use of Placement proceeds of S\$7.0 million mainly for project investment refers to the initial capital outlay for the ongoing Bo Dao roadway construction project in the PRC under the public-private partnership arrangement with the local provincial government, Xinwen Transportation Bureau.

QUERY 7

Listing Rule 715(2) requires the Company to engage a suitable auditing firm for its significant foreign-incorporated subsidiaries and associated companies. Please explain why Raffles Digital Infrastructure (Malaysia) Sdn. Bhd, PT Raffles Digital Infrastructure Indonesia, Wuhan Raffles Technology Co., Ltd and Raffles Infrastructure Development Bangladesh Ltd. has not been audited.

RESPONSE:

The Company wishes to clarify that the foreign-incorporated subsidiaries, i.e. Raffles Digital Infrastructure (Malaysia) Sdn. Bhd, PT Raffles Digital Infrastructure Indonesia and Wuhan Raffles Technology Co., Ltd were newly incorporated in FY2022, and Raffles Infrastructure Development Bangladesh Ltd. was incorporated in December 2020 (the "Foreign-incorporated Subsidiaries"). The Foreign-incorporated Subsidiaries have not commenced operations and hence they are not considered "significant foreign-incorporated subsidiaries" of the Group under Listing Rule 715(2).

The Company will engage a suitable auditing firm for the Foreign-incorporated Subsidiaries at the appropriate time i.e. when the Foreign-incorporated Subsidiary(ies) has a significant contribution to the Group.

By Order of the Board

Raffles Infrastructure Holdings Limited

Ryan Chiu Tzong Min

Executive Director and Deputy Chief Executive Officer

3 November 2022