

ENTRY INTO A MEMORANDUM OF UNDERSTANDING

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the announcement made on 13 December 2019 in relation to the bidding for a township development project (now known as “**Trust Green City**”) led by the Army Welfare Trust of the People’s Republic of Bangladesh (“**Bangladesh AWT**”). The Company is pleased to announce that it has now established a Memorandum of Understanding (the “**MOU**”) with Bangladesh AWT on 07 May 2020.

Background

The Company’s tender proposal for Trust Green City led by Bangladesh AWT has been selected and approved. The proposal includes designing, financing, construction, marketing, operation, and maintenance for Zone 2, 3 and 4 of Baunia, Dhaka.

Trust Green City sits on approximately 50 acres of land, with a construction area of about 10.8 million square feet, designed to hold over 5000 dwelling units. The project value is estimated at USD 800 million. This project is targeted to alleviate the severe housing shortage in Bangladesh, modernise the residential sector in Dhaka and to leverage on ‘smart’ technologies to improve the lives of the population. The Bangladesh AWT is the landowner of Trust Green City and has committed to assist and support in facilitating the development of this project.

The Bangladesh AWT had exclusively invited the Company to establish a MOU between both parties. The MOU has been signed on 07 May 2020.

1. About Bangladesh Army Welfare Trust

Bangladesh AWT is a welfare trust owned and operated by the Bangladesh Army. The trust was established in June 1998. The trust was founded to look after the interests and welfare of retired military personnel. The assets under the trust include hotels, golf clubs, filling stations, banks, and shopping complexes. The commercial enterprise of Bangladesh Army is estimated to be valued over USD 3.5 Billions.

2. Purpose and Scope of the MOU

The purpose of this MOU is to set the agenda specifying points to finalise to form the basis of the terms and conditions of the final agreements (“**Final Agreements**”). These points to finalise include:

- (a) the details of the technical, financial, legal, marketing, operation and maintenance requirements and list of any other roles/commitments expected for the implementation of the Trust Green City Project, covering the periods before, during and after completion of construction of the said project.
- (b) the establishment of committees and their respective responsibilities
- (c) the monetary benefits structure
- (d) the framework of the Final Agreements

3. Salient Terms and Conditions of the MOU

3.1 The MOU stipulates that the parties shall form committees comprising the following expertise to determine the terms and conditions, and responsibilities of each party:

- (a) technical member from each party to determine the specific technical aspects
- (b) financial member from each party to determine the specific financial aspects
- (c) commercial member from each party to determine the specific marketing strategy and commercial aspects
- (d) legal member from each party to determine the specific legal aspects.

3.2 In addition, the MOU stipulates the various responsibilities of the parties to be worked out and agreed upon, including but not limited to the following areas:

- (a) formulation of the scope of work for each Party
- (b) fixing responsibilities of the Bangladesh AWT in general
- (c) fixing responsibilities of the Company in general
- (d) finalizing the conceptual design
- (e) determining preliminary design and other technical details leading to conclusions on responsibilities of parties pertaining to the technical aspects and to work out the mobilization plan (man & material), procurement plan, construction plan (utilization of local resources) and timeline (year wise progression) for each party
- (f) determining the categories of apartments, design variations for each category, zoning of categories and the number of apartments for each category
- (g) determining the fittings and fixtures and other elements that differentiate the categories of apartment

- (h) determining the financial models basing on the agreed technical details and arriving at the total financial benefits of each Party, and determining the cash flow to substantiate the financial model of the Company
- (i) determining the legal matters covering the procedures of investments under the policies of Bangladesh, formation of a legal entity under the Registrar of Joint Stock Companies And Firms (“**RJSC**”) through the procedures of the Bangladesh Investment Development Authority legal matters involving payment of land taxes, permissions and licenses, drafting the power of attorney and its provisions for handover of the land to the legal entity of the Company under the RJSC in Bangladesh by AWT
- (j) determining the construction timeline, marketing survey, marketing plan, and marketing strategy, responsibilities of each party in the marketing and the principles of cooperation in marketing jointly or individually by the parties and setting the policies regarding the distribution of apartments/condos in the project
- (k) determining the marketing strategy of the apartments and cooperation and coordination required to such efforts
- (l) determining the details of operation and maintenance of Trust Green City
- (m) determining the security and access control of the project during and after construction
- (n) determining the timeline required to complete the process up to signing of the Final Agreements

4. Exclusive; Non-Binding Nature of the MOU

- (a) The MOU will remain valid for six months from the date of signing. The MOU shall be “Exclusive” with the Company during the term of validity period. This MOU may be renewed at the end of this duration at agreed terms and conditions.
- (b) The MOU is not expressed to be legally binding in nature other than the exclusivity period of six months for the Company to negotiate the agendas set out above with the Bangladesh AWT in coming to an agreement on the Final Agreements.
- (c) The MOU may be terminated by any of the parties prior to its expiration date provided that 30 working-days written notice is provided and upon settlement of all outstanding responsibilities as detailed in the MOU. The outstanding responsibilities will include completion of any ongoing activities that are due within the 30 working days.
- (d) The MOU is construed, governed, and enforced in accordance with laws of the People’s Republic of Bangladesh.

5. Financial Impact

The costs of the negotiation of the agendas set out above will be funded through internal resources of the Group and are not expected to have a material impact on the earnings per share or net tangible assets per share of the Group for the current financial year ending 30 June 2020.

6. Interest of Directors

None of the Directors, substantial shareholders of the Company and any of their respective associates has any interest, direct or indirect in the Trust Green City Project or in the Bangladesh AWT, other than through their shareholdings in the Company.

7. Further Updates

The Company will provide relevant update announcements as and when there are material developments.

8. Caution in Trading

As the MOU may or may not lead to the entry into of the Final Agreements, shareholders and potential investors should exercise caution when trading in the Company's shares. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers.

By Order of the Board
Eric Choo Han Kiat
Executive Director and Chief Executive Officer
08 May 2020