

RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”, together with its subsidiaries, referred to as the “**Group**”) would like to provide the following information in response to the queries from the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) in respect to the Company's announcement dated 16 August 2019 titled "Response to SGX Queries".

QUERY 1

In response to SGX-ST Query A on who is presently overseeing and maintaining the financial records of the Company, it was disclosed that the “oversight and maintenance of the financial records of the Company is by Mr Jack Jiang, our Accountant based in our Chengdu subsidiary office and assisted by Ms Amy Zhang, our Assistant Manager based in our Singapore head office.” Please provide the respective CVs of Mr Jack Jiang and Ms Amy Zhang. To elaborate and explain how Mr Jack Jiang and Ms Amy Zhang, are respectively suitable, to ensure a robust and effective system of internal controls. Please include the basis for the Board’s opinion.

RESPONSE:

Mr. Jack Jiang, our Accountant, reviews the management accounts with all relevant supporting documents prepared by the accounts team from the entities. After clearing his queries (if any) with the respective preparers, the reports would be reviewed by the Chief Executive Officer and Audit Committee before it is released to the public.

Mr. Jiang joined Raffles Infrastructure as the Financial Controller for its Chinese subsidiaries with more than 15 years of experience in the spectrum of Corporate Finance in commercial organisations. He has extensive knowledge particularly in accountancy, corporate finance, mergers and acquisitions. In the absence of an appointed CFO, he has been doubling up as the Company’s Accountant. Mr. Jiang graduated from Southwestern University Of Finance and Economics (西南财经大学) with a Bachelor of Accountancy.

Ms Amy Zhang, our Assistant Manager, prepares the accounts for the Company and the Singapore entity. She is also the personnel in charge to coordinate the whole process to ensure timely reporting as well as internal controls requirement being achieved as per Company’s protocol.

Ms Zhang was working with an accounting firm as an Accounts Executive prior to joining Raffles Infrastructure with 16 years of experience in small medium enterprises fulfilling finance and administration management roles. She graduated with a Diploma in Accounting & Finance from London Chamber Commerce & Industry.

The Board has concurred that Mr. Jiang and Ms. Zhang possess relevant academic qualifications, trainings and experiences to handle and manage financial aspects of the Company, noting that Mr. Jiang and Ms. Zhang alone do not on their own ensure a robust and effective internal control. The internal control and system of the Group comprises Mr. Jiang and his team at the subsidiary level,

Ms Zhang and the CEO at the Company level, supported and overseen by the Audit Committee. The Company's appointed internal and external auditors also play their respective roles in ensuring a robust and effective system of accounting and internal controls.

QUERY 2

In response to SGX-ST Query D on why the Board has not appointed a CFO, it was disclosed that the Company "will continue to qualify new candidates for this position". Please provide the basis and explain how has the Company complied with the trading resumption condition.

RESPONSE: In view of the Company's new vision and mission in the business, the Company is fully aware how essential it is to appoint a suitable candidate for the CFO role. However as explained above, a good system of accounting and effective internal controls does not rest alone with an officer, be it a CFO or a financial controller or manager. While the Company recognises the importance of appointing a CFO, it is equally cognisant that a robust and effective internal control system comprises a whole ecosystem of accountants and accounts manager at the subsidiary and the Company levels, overseen by the CEO and the AC, with internal auditors performing and testing the effectiveness of the Group's internal control systems in their regular cycle of internal audit performed. The external auditors also play a very important role in ensuring that all accounting records and treatments of accounting items are well-maintained, and all financial reporting and treatment are in accordance with the Singapore Financial Reporting Standards and good practice. The Company has been actively looking out for candidates through both advertisements and its network of contacts. Considering the significance of this role, the Company is not in favour of hiring just any candidate available in the market without feeling assured about the person's capability and integrity. This is more so now than ever with the consequences the Company is facing from legacy issues before the new Board and management team took over. In this instance, the Company lost the opportunity to work with who could have been an ideal candidate for the position as the candidate declined to work with the Company due to the on-going Special Audit at the time. The same candidate has been contacted following completion of the Special Audit. The Company will update SGX-ST accordingly of its outcome. In the meantime, the Board has been working closely with the management to identify other potential candidates to assume the role of CFO.

By Order of the Board

Choo Han Kiat, Eric

Executive Director and Chief Executive Officer

22 August 2019