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## UPDATE ON EXTENSION OF TIME TO MEET THE REQUIREMENTS TO EXIT FROM THE WATCH-LIST (FINANCIAL CRITERIA) UNDER LISTING RULE 1314

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

1. the Company’s announcement dated 5 June 2019 in relation to the Company’s receipt of notification from the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 4 June 2019 that, *inter alia*, the Company will be placed on the watch-list with effect from 6 June 2019 (“**Watch-list Notification**”); and
2. the Company’s announcement dated 28 April 2022 in relation to the Company’s application submitted on 28 April 2022 to the SGX-ST to seek an extension of 12 months under Listing Rule 1315 of the Listing Manual to meet the requirements under Listing Rule 1314 of the Listing Manual to exit from the watch-list.

The Board is pleased to announce that the SGX-ST has, on 9 May 2022, indicated that it has no objection (“**No-Objection Notification**”) to the Company’s application for extension of time to 5 June 2023 (the “**Waiver**”) to comply with the Watch-list exit criteria under Listing Rules 1314 and 1315, subject to the following:-

- (a) The Company announcing the period of extension granted, the reasons for seeking the extension of time, the conditions as required under Listing Rule 107 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met (if any); and
- (b) Submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

(the “**Waiver Conditions**”)

Additionally, according to the No-Objection Notification:

- (a) the Waiver will not be effective if any of the conditions have not been fulfilled.
- (b) the Company is required to make an immediate disclosure via SGXNet if it is / will be in contravention of any laws and regulations governing the Company and the constitution of the Company (or the equivalent in the Company’s country of incorporation) arising from the Waiver.

### Period of extension granted

The Board is pleased to announce that pursuant to the No-Objection Notification, the Company has been granted an extension of 12 months from 5 June 2022 to 5 June 2023 to comply with the Watch-list exit criteria under Listing Rules 1314 and 1315 subject to the Waiver Conditions.

### Reasons for seeking the extension of time

The Company's reasons for seeking the extension of time are set out below.

#### **1. Positive outlook of the financial performance of the Group**

As announced in its recent quarterly update pursuant to Listing Rule 1313(2) on 14 February 2022, the Group continually reported a healthy financial position with a total net asset of RMB 214.0 million (approx. S\$45.3 million) as at financial year ended 30 June 2021 followed by RMB221.3 million (approx. S\$46.8 million) as at financial period ended 31 December 2021 with a cash and cash equivalents of RMB88.4 million and net asset value of RMB3.26 per share. Please refer to the Company's financial results for the financial period ended 31 December 2021 released on SGXNet on 14 February 2022 and the Company's quarterly update pursuant to Rule 1313(2) of the Listing Manual released on SGXNet on 14 February 2022 for further details.

#### **2. New business plans**

In order to achieve the requirements under Listing Rule 1314, the Company has been working towards bringing in new business revenue streams. The Company is preparing a business diversification mandate to be tabled for shareholders' approval (the "**Proposed Diversification**"). As part of its business diversification, it plans to diversify into the following core areas which are categorised broadly into 5 pillars, through its subsidiary, Raffles Digital Infrastructure Pte. Ltd.:

- a. First Pillar of Growth: Market entry advisory services
- b. Second Pillar of Growth: ASEAN RCEP supply chain infrastructure
- c. Third Pillar of Growth: Platform as a service (PAAS)
- d. Fourth Pillar of Growth: Software as a service (SAAS)
- e. Fifth Pillar of Growth: Payment API

(collectively, the "**New Businesses**")

Through the New Businesses, the Group intends to provide cloud-platform-based technology solutions, and online information and operating support services for financial institutions and MSMEs. It will offer digital infrastructure for artificial intelligence customer services, as well as sales management, risk management, and operation support services. The Group will provide

digitalized management platform that offers digital infrastructure for financial institutions and companies to manage various aspects of their business, including data, smart operation, Know your client digital procedure, mobile payment channel link up, product design and development, comprehensive risk, and asset and liability management, as well as accounting, personnel, and office management; using open PaaS and IaaS platform for ready-to-integrate financial technology components; and Blockchain network-as-a-service. In addition, the Company will also offer consulting services for implementation of digital infrastructure as well as market entry advisory services for companies who wish to expand their business in RCEP region. The Group will look to serve customers in the financial services industry, including banking, insurance, and other financial institutions and MSMEs looking to tech up and transform themselves digitally.

The Group recognises that the New Businesses are different from its existing traditional infrastructure business. The Board will put in place a risk management committee and credit assessment committee to (a) review the risk exposure of the business of the Group, and (b) to consider whether the Group has sufficient resources to invest in the New Businesses. The risk management committee would comprise Mr Chay Yiow Min (Chairman), Ms Agnes Chen, Ms Yuanita Tjia and Mr Ryan Chiu and the credit assessment committee would comprise Mr Zhong Jingyi (Chairman), Mr Ryan Chiu ("**Mr Chiu**"), Mr Ma Qingren and Ms Yuanita Tjia ("**Ms Tjia**").

The Company is of the view that the New Businesses when established, will be a significant contributor to the Group's revenue and profit. This in turn will uplift the valuation of Company.

A notice of the special general meeting and circular containing the details of the Proposed Diversification will be issued to the Shareholders in due course.

### 3. Recent new developments and business opportunities

The senior management has focused on generating new business revenues by diversifying into new businesses within the past 3 months. In particular, the management has secured the following business contracts:

- a. client management databases and digital infrastructure framework set up and maintenance contracts from overseas clients and have generated and earned a total revenue of USD638,000, and potential monthly maintenance revenue of USD 235,000; and
- b. entered into a payment API link up business agreement with licensed payment gateway operator, PT E2Pay Global Utama, in Indonesia which will allow Raffles Digital Infrastructure Pte. Ltd. ("**Raffles Digital Infrastructure**") to provide full suite of payment solutions for companies who wish to expand their business in the country. Raffles Digital Infrastructure will be able to earn a gross profit margin of 10% from the settlement of the online payment transaction fees.

The Company would require more time to implement these new projects and the New Businesses to meet the requirements under Listing Rule 1314.

#### **4. Support from a Controlling Shareholder**

The Company has strong support from its white knight, Ms Yuanita Tjia, who became a substantial shareholder of the Company on 7 December 2021 and has, recently become a controlling shareholder of the Company on 11 January 2022. Ms Tjia was appointed as a non-executive director of the Company with effect from 13 December 2021 to demonstrate her commitment to the management and growth of the Group.

As a licensed Venture Capital Fund Manager (VCFM) holder, and with experience in fund management and advising on financial technology companies, Ms Tjia has been providing invaluable support and advice on the Group's new business in digital infrastructure enabling the Group to move forward to diversify its new businesses and to bring in new business revenue streams. Through her capacity as a fund manager, she has been exposed to a large number of technology companies and is thus able to find strategic partners who possess the relevant technologies. Notwithstanding, her large network comprising of other licensed fund managers, financial institutions, companies which are part of the regional comprehensive economic partnership will be able to provide the Group with new business opportunities and strategic alliances and contribute and strengthen the Group's business performance. As a venture capital fund manager, Ms Tjia also has experience of providing strategic direction, improving planning, increasing profitability, identifying new opportunities, providing new ideas and solutions for companies while ensuring regulatory compliance. This is important for the Group as it seeks to find new business opportunities and increase value for the shareholders.

#### **5. New Board of Directors**

As part of its corporate transformation, the Company has put in place a strong composition of Board of Directors with the changes in the Board structure in December 2021 and January 2022. The current Board comprise of:

- c. Mr Wong Ann Chai - Non-Executive Independent Chairman
- d. Mr Chay Yiowmin - Non- Executive Lead Independent Director
- e. Ms Chen Meiyun, Agnes - Non-Executive Independent Director
- f. Ms Yuanita Tjia - Non-Executive Non-Independent Director
- g. Mr Li Jia Chen - Non-Executive Non-Independent Director
- h. Mr Ma Zhi - Executive Director
- i. Mr Ryan Chiu Tzong Min - Executive Director

Notwithstanding the Company's effort to bring in new business revenue streams in digital infrastructure, the current Board together with the management is committed to ensure the continued operations of the current business of the Group in traditional infrastructure business details of which are set out below.

## **6. Support from Experienced Professionals**

The Company has appointed various experienced professionals to guide the Group with regulatory, compliance and legal requirements expected of a listed company. Hong Leong Finance Limited was appointed with effect from 17 January 2022 to assist and advise the Company on its continuing listing obligations. Shook Lin & Bok LLP was engaged to provide the Company with corporate secretarial support services which includes support in relation to regulatory, compliance and legal matters. Please refer to the announcements dated 17 January 2022 and 24 January 2022 for further details.

## **7. Experienced management to drive the Group's business**

The Company has a team of management with the relevant expertise to execute and manage the New Businesses which will be led by a team of senior management comprising the Deputy Chief Executive Officer, Mr Chiu, the new chief product technology officer, Mr Ma Qingren, the new chief risk management officer, Mr Zhong JingYi and Ms Tjia who will advise on the overall business strategy and overseas expansion of the Group. In addition, the Company has appointed Mr Chia Soo Hian and Dr Lim Boh Soon who will be advisers to the Board to advise the Board. Please refer to the announcements dated 22 December 2021, 26 January 2022, 31 January 2022, 20 April 2022, 22 April 2022, 25 April 2022, 27 April 2022 and 4 May 2022 for further details.

## **8. Experienced management of the Group for the existing infrastructure business**

The Company submits that notwithstanding that the Group is embarking on the New Businesses, the Company will continue to ensure that the existing infrastructure business undertaken through the Company's two subsidiaries, Raffles (Chengdu) Investment & Development Co., Ltd and Bo Dao Road Construction Co., Ltd., is being closely monitored.

The Company refers to (a) the announcement made by the Company on 3 January 2022 in relation to the cessation of Mr Eric Choo Han Kiat ("**Mr Choo**") as the Executive Director and Chief Executive Officer of the Company with effect from 31 January 2022; and (b) the announcement made by the Company on 31 January 2022 in relation to the Company's response to queries received from the Singapore Exchange Trading Limited; and (c) the disclosure made by the Company on 10 May 2022 in relation to the appointment of Mr Choo as the Executive Officer of the Company.

After the cessation of Mr Choo as the Executive Director and Chief Executive Officer of the Company and as mentioned in the Company's 31 January 2022 Announcement, Mr Choo remained as the legal representative of Raffles (Chengdu) Investment & Development Co., Ltd, a subsidiary of the Company, and the legal representative of Bo Dao Road Construction Co., Ltd, a subsidiary of the Company, to oversee the Bo Dao project.

The Company has instituted a reporting line in which Mr Choo will report to Mr Chiu, who is the Deputy Chief Executive Officer of the Company, and both of them will report directly to the Company's Chairman and the Audit Committee's Chairman.

Accordingly, having considered the recommendation of the Nominating Committee and having reviewed and considered the qualifications, working experience and suitability of Mr Choo, the Board is of the view that Mr Choo has the requisite experience and capability to assume the responsibility as an Executive Officer of the Company, and has, on 10 May 2022, appointed him as an executive officer of the Company.

The finance team of the Group in China works very closely with the contractor's finance team and ensures proper checks on the payments received and then reports back to Group finance team to verify against bank account balances from time to time. The current management, including Mr Chiu, will closely monitor the existing infrastructure business of the Group and ensure payments due to be received in relation to the existing infrastructure business are being accounted for accordingly.

The Company is currently seeking for experienced professional to manage the existing infrastructure business of the Company together with the existing management team.

#### Company's written confirmation to the SGX-ST

The Company has, on 10 May 2022, submitted a written confirmation that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company.

#### Company's confirmation on governing law

The Company confirms that it is not and will not be in contravention of any laws and regulations governing the Company and the Bye-laws of the Company arising from the Waiver.

#### Confirmation on compliance with Waiver Conditions

Following the release of this announcement the Company confirms that the Company has complied with the Waiver Conditions.



By Order of the Board

**Mr. Ryan Chiu Tzong Min**

Deputy Chief Executive Officer and Executive Director

10 May 2022