

RESPONSE TO QUERIES FROM SGX-ST

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 respect of the Company’s Annual Report announced on 14 October 2021.

QUERY 1

We refer to the Company's Corporate Governance Report in its FY2021 Annual Report (“AR”) announced on 14 October 2021. Provision 9.2 of the Code of Corporate Governance 2018 requires the Board to disclose that it has received assurance from the CEO on the adequacy and effectiveness of the Company's risk management and internal control systems. The CEO has not provided assurance on the adequacy of the risk management and internal control systems. Please disclose whether the CEO has given assurance to the Board on the adequacy of the risk management and internal control systems of the Company.

RESPONSE:

The Company’s CEO, who is also one of Board of Directors, acknowledges his responsibility for the establishment as well as oversight of the Group’s risk management framework and internal control system. As the management role, CEO is responsible for implementing Board approved policies and procedures on risk management and internal controls by identifying and evaluating risks faced and monitoring the achievement of business goals and objectives within the risk appetite parameters. CEO will highlight the issue on these compliances if any during quarterly Board Meeting.

With reference to the AR page 38 under Provision 9.2 (b), the Company disclosed that ‘The Board has also received assurance from the *Key Management Personnel* that the Company’s Risk management and Internal Controls systems are adequate and effective’. The Company wishes to clarify that the ‘*Key Management Personnel*’ in the statement above includes the CEO of the Company. Therefore, the Company hereby confirms that the CEO has given assurance to the Board on the adequacy of the risk management and internal control systems of the Company

QUERY 2

We also note that the former CFO had resigned with effect from 31 July 2020. Please disclose the reasons why the Company has not been able to appoint a CFO and the steps taken by the Company to search for a suitable candidate since the resignation of the former CFO on 31 July 2020.

RESPONSE:

The Company has been consistently recruiting a CFO since 31 July 2020, and there were a few interview sessions with some potential candidates. The Company will make announcement accordingly if there is material development on this matter.

QUERY 3

Listing Rule 1207(20) requires, amongst others, that the issuer must announce a breakdown with specific details on the use of proceeds for general working capital purposes. Please provide the required breakdown of the use of the Company's IPO and placement proceeds for working capital purposes.

RESPONSE:

The Company wishes to clarify that the Company had already made announcements for the breakdown of the usage of IPO and placement proceeds for the working capital purposes on full year's financial results on 27 August 2021 and 14 September 2021 respectively.

| Use of IPO Proceeds | Amount allocated S\$'000 | Amount Utilised S\$'000 | Balance S\$'000 |
|---|---|--|----------------------------|
| to construct new facilities and acquire new machinery | 14,000 | 13,231 | 769 |
| to expand Research & Development facilities | 1,000 | 1,000 | - |
| Working capital purposes | 2,182 | 2,182 | - |
| | 17,182 | 16,413 | 769 |
| Used of Placement Proceeds | | | |
| Project Investment ⁽¹⁾ | 22,900 | 7,048 | 15,852 |
| Working capital purposes ⁽²⁾ | 7,000 | 4,843 | 2,157 |
| | 29,900 | 11,891 | 18,009 |
| | 47,082 | 28,304 | 18,778 |

- (1) On 22 November 2020, the Company injected S\$ 67,620 (US\$50,000) into a new joint venture company - Raffles Infrastructure Development Bangladesh Ltd for pre-operational cost as the initial investment for Trust Green City Township Development project.
- (2) Use of Placement Proceeds of S\$4.8 million for “working capital purpose”, the breakdown as follow:
- i. Payroll and Staff related expenses (incl. Directors Fees) – S\$2.2 million
 - ii. Operating Expenses (incl. Rental, Stationery, Entertainments, Travelling) – S\$0.6 million
 - iii. Professional Fees (incl. Legal, Audit, Corporate Secretary Services etc) S\$2.0 million

By Order of the Board.

Eric Choo Han Kiat
Executive Director and Chief Executive Officer
27 October 2021