RAFFLES INFRASTRUCTURE

UPDATE ON THE APPLICATION FOR FURTHER EXTENSION OF TIME TO MEET THE REQUIREMENTS TO EXIT FROM THE WATCH-LIST (FINANCIAL CRITERIA) UNDER LISTING RULE 1314: REJECTION OF APPLICATION AND DELISTING NOTIFICATION

The Board of Directors (the "**Board**") of Raffles Infrastructure Holdings Limited (the "**Company**"), and together with its subsidiaries (collectively, the "**Group**") refers to the Company's announcement dated 3 May 2023 in relation to the Company's application to the SGX-ST to seek a further 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 "**Previous Announcement**").

Unless otherwise defined, capitalised terms and references used herein shall bear the same meanings ascribed to them in the Previous Announcement.

The Board wishes to announce that the Company has received a rejection of application and notification of delisting dated 1 June 2023 from the SGX-ST (the "**Rejection and Delisting Notification**").

In the Rejection and Delisting Notification, the SGX-ST has informed the Company of the following:

1. On 6 June 2019, the Company was placed on the SGX Watch-List pursuant to Listing Rule 1311. In accordance with Listing Rule 1315, the Company is required to take active steps to meet the requirements of Listing Rule 1314 to be removed from the Watch-List within 36 months (i.e. by 5 June 2022). On 29 April 2022, the Company was granted an extension of time of 12 months (i.e. up to 5 June 2023) ("**Extended Cure Period**") pursuant to paragraph 4.2 of Practice Note 13.2 to exit the Watch-List. To meet the requirements under Listing Rule 1314, the Company submitted that it was working to diversify its revenue streams through the digital infrastructure business segment, operated by the Company's subsidiary, Raffles Digital Infrastructure Pte. Ltd. (the "**Digital Infrastructure Business**"), which would uplift the valuation of the Company when established.

2. On 3 May 2023, the Company applied for a further 12-month extension of time to 5 June 2024 to satisfy the requirements of Listing Rule 1314 for removal from the SGX Watch-List.

3. The Company has not demonstrated that it will be able to achieve a market capitalisation of S$40 million by 5 June 2024 to meet the requirements under Listing Rule 1314 to exit the Watch-List. The SGX-ST had noted the following factors, among others, in coming to its decision:

   (a) Low and decreasing market capitalisation: The Company has not made any progress in terms of raising its market capitalisation during the Extended Cure Period. In contrast, the

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Company's 6-month average daily market capitalisation had fallen significantly from S$6.26 million (for the period from 11 November 2021 to 10 May 2022) to S$2.6 million (for the period from 11 November 2022 to 10 May 2023). The Company's market capitalisation continues to trend downwards and is at S$1.97 million as at 31 May 2023. This is in spite of the Company's entry into the Digital Infrastructure Business.

(b) Company has not demonstrated the potential of Digital Infrastructure Business: The Company had submitted that it is confident in the potential of the Digital Infrastructure Business. However, there is only one remaining contract under negotiation under the "software as a service" ("**SaaS**") segment, the major business segment which contributes the bulk of the revenue under the Digital Infrastructure Business. The Company has also confirmed that there are no new contracts with customers under the SaaS and "platform as a service" segments since July 2022, and the remaining pillars under the Digital Infrastructure Business has not recorded any revenues thus far. Despite the Company submitting that it will be focusing on the ASEAN Supply Chain Infrastructure pillar, it has confirmed that it is only in early discussions with partners and customers and no agreements have been signed.

(c) Significant decrease in revenue and profits based on Company's forecast: In spite of the Company's representations regarding the potential of the Digital Infrastructure Business, the Company had forecasted its revenue and profits to decrease to USD9million and USD259,000 in FY2026.

4. In view of the above, the SGX-ST is of the view that the Company has not demonstrated that it will be able to exit the Watch-List by 5 June 2024 and wishes to advise that the SGX-ST has rejected the Company's EOT Application. Accordingly, the SGX-ST will proceed to delist the Company pursuant to Listing Rule 1315 and that **the Company's securities will be suspended with effect from 3 July 2023**.

5. Pursuant to Listing Rule 1306, the Company or its controlling shareholders must comply with Listing Rule 1309 which requires the Company or its controlling shareholders to provide a fair and reasonable exit offer to shareholders. The Company is requested to inform the SGX-ST of the exit offer proposal as soon as practicable and no later than one month from the date of the Rejection and Delisting Notification. The Company will provide updates via SGXNet on the status of the Company's exit offer proposal.

6. The suspension in trading of the Company's shares shall remain in effect until completion of the exit offer, following which the Company will be delisted.

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The Company will keep shareholders informed of any developments in this regard and will continue to keep shareholders updated on any material developments as and when appropriate.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders are also advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

By Order of the Board

Mr. Ryan Chiu Tzong Min
Deputy Chief Executive Officer and Executive Director

2 June 2023