

RAFFLES INFRASTRUCTURE HOLDINGS LTD.

(Incorporated in Bermuda)
(Company Registration
No. 40381)

UPDATE ON SPECIAL AUDIT

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”) wishes to update shareholders in respect of the Special Audit (as defined below) that the Company has commenced the Special Audit which was one of the conditions required by the Singapore Exchange in granting its permission for the resumption of trading of the Company’s shares. The Company first announced on 7 May 2018 that it would be undertaking the Special Audit when it first applied to the Singapore Exchange for the resumption of trading of its shares.

(A) SUMMARY OF EVENTS DURING FIELD TRIP TO QUANZHOU BY KPMG

1. As Shareholders might recall, the Company appointed KPMG Services Pte. Ltd. (“**KPMG**”) on 12 December 2017 to conduct special audit works (the “**Special Audit**”).
2. The scope of the Special Audit would focus on transactions with, and the net compensation claims paid to, the following three (3) customers:
 - (a) ShiShi City Ai Li Nu Clothing Co., Ltd (石狮市爱利奴服饰有限公司) - RMB132,263,307.00;
 - (b) JinJiang City Bin Lang Apparel Manufacturing Co., Ltd (晋江市滨浪制衣织造有限公司) - RMB205,346,020.00; and
 - (c) ShiShi City Jin Tai Wu Textile Clothing Co., Ltd (石狮市金太屋纺织服饰有限公司) - RMB465,998,097.20.
3. On 21 October, as instructed by the Company, the KPMG team travelled to Quanzhou, China to commence the fieldwork for the Special Audit. Prior to the visit, the KPMG team had sent to the Company, a list requesting certain information pertaining to Sinwa Knitting & Dyeing Co., Ltd (the “**China subsidiary**”) and were informed by the Company that the team could commence the fieldwork.
4. When the KPMG team arrived at Quanzhou, they were not afforded effective cooperation by the China subsidiary. Mr. Wu was away during the time and his personal assistant, a Mr. Zhang, was not able to facilitate the team. The KPMG team was, consequently, not able to complete the tasks it had set out to complete during that trip. On a tour of the production facilities, the team did observe that production was ongoing with 20 to 30 staff working in the factory.

5. In view of the lack of cooperation by the China subsidiary, the Company is working closely with its appointed professionals to ensure that the Special Audit is completed on time, and all outstanding issues are resolved effectively with the assistance of these professionals.

(B) FURTHER ANNOUNCEMENT

The Company will make further announcements as and when there are material updates on the Special Audit.

(C) CAUTIONARY STATEMENT

Shareholders are advised to exercise caution in trading their Shares. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stock brokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Choo Han Kiat Eric
Executive Director
Singapore
23 November 2018