
UPDATE ON NEW BUSINESS SEGMENT

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (“**Raffles Infrastructure**” or “**Company**” and together with its subsidiaries, referred as the “**Group**”) is pleased to provide an update in relation to a new business segment focusing on digital infrastructure, that the Company is embarking on.

1. BACKGROUND

Raffles Infrastructure predominantly focuses on Public-Private-Partnership based infrastructure investment projects in Asia since its restructure in late 2017. The current project the Company has under its portfolio is a roadway construction project (“**Xingwen County Project**”) with the Xingwen County Government for a reconstruction of a 220 km rural road. This project is valued at approximately SGD 110 million and over the last 3 financial periods, Xingwen County Project has been contributing earnings of approximately RMB 89.3 million for the Group.

In the last Annual General Meeting, the Company disclosed its recognition on the need to establish new stable income stream for the shareholders. One of the new business segments it has identified to aim for is digital infrastructure, which is spurred by the rapid demand in technology and digitalization.

2. NEW BUSINESS SEGMENT

The proliferation of digitalization has been the ultimate force that governs the markets in the 21st century. The Covid-19 pandemic has greatly hastened the process, forcing traditional firms to adopt digital solutions abruptly. With 60% of the current world’s population of over seven billion having access to internet, there has been an uptrend of economic transactions being performed digitally or facilitated via digital means. All in all, digitalization has been acting as a bridge for the transfer of knowledge and services between nations, closing the digital divide.

Capitalizing on the digitalization trend, Raffles Infrastructure is now embarking on the new business segment, namely digital infrastructure. In this new business segment, the Company seeks to provide the technological infrastructure backbone to enterprises. The Group is currently working to kickstart this project with the development of a one stop platform for MSMEs, providing them with strategic business expertise and equipping them with digitalization capabilities in a quick and affordable way.

With the signing of Regional Comprehensive Economic Partnership (RCEP), which is a free trade agreement among the Asia-Pacific Nations of 15 member countries comprising of Australia, Brunei, Cambodia, China, Indonesia, Japan, Laos, Malaysia, Myanmar, New Zealand, Philippines, Singapore, South Korea, Thailand and Vietnam, the international trade amongst the bloc is expected to tremendously increase. Companies located in the countries within the RCEP region are also expected to experience exponential growth, and Raffles Infrastructure is now set to capitalize on this trend.

The Company will be providing further updates on the framework of the new business segment and the potential financial impact once the formation of its project team is completed.

3. INCORPORATION OF WHOLLY OWNED SUBSIDIARY

For the purpose of conducting this new business segment, the Company is in the process of incorporating a wholly owned subsidiary (“**New Subsidiary**”) to segregate this business segment from the road infrastructure segment. The New Subsidiary shall be incorporated in Singapore and named Raffles Digital Infrastructure Pte. Ltd.. The Company will make the announcement once the incorporation has taken place.

4. APPOINTMENT OF AN ADVISOR TO THE BOARD

The Board is committed to ensuring the sustainability of this new business segment and has concurred in appointing a special advisor to the Board, to assist the Company’s management in carrying out the business in the most strategic and prudent manner. With that, the Board is now pleased to introduce Mr. Chia Soo Hian as the Advisor to the Board.

Soo Hian has over 20 years of experience in the digital infrastructure industry, providing consultancy services and customized digital infrastructure solutions for businesses in numerous sectors. He is also the founding partner of Altage Capital where he co-developed the mainframe for Altage Capital’s algorithmic trading system and is continuously developing new algo-trading methods to trade all assets classes including but not limited to foreign exchange trading. He also possesses a deep interest in machine learning and is looking to further develop such system in the near future.

Soo Hian was a project manager at Defence Science & Technology Agency (DSTA), developing Command and Control Systems for Singapore’s Armed Forces, where his clearance by the Singapore military defence is of the highest level. He had also received multiple DSTA excellence awards and MINDEF Defence Technology awards and was also a proud recipient of the Public Service Commissions (PSC) Overseas Merit Scholarship through which he obtained his Master of Engineering degree from Oxford University. Passionate about imparting his knowledge, Soo Hian was also an Adjunct Lecturer for Republic Polytechnic, where he helped to shape and mentor future talents.

5. CONCLUSION

With the full support from the Board on the embarkation in a new business segment with a primary focus on digital infrastructure, the Group is looking forward to sharing further updates to the shareholders soon. In the meantime, the Company would like to notify all its shareholders and business partners that the Group’s business continues as usual, and trading in its securities will also continue in the ordinary course.



By Order of the Board

Ryan Chiu

Deputy Chief Executive Officer

22 December 2021