
BUSINESS UPDATE

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”) and together with its subsidiaries, (the “**Group**”) would like to provide an update in relation to its new business avenue in digital infrastructure.

BACKGROUND

The Company first disclosed its plan to diversify its business in the Company’s last Annual General Meeting held in October 2021 with an objective of having additional revenue stream for its stakeholders, by venturing into digital infrastructure, an avenue identified as the next business segment with substantially high potential to embark onto, in view of the rapid demand in technology and digitalization in the market.

With the new business plan, the Company has appointed new members to the Board and management over the last two months, strengthening the structure in preparation for the additional inflow of businesses. It has also incorporated its wholly-owned subsidiary in Singapore, Raffles Digital Infrastructure Pte. Ltd. (“**Raffles Digital**”), the entity to develop and conduct the digital infrastructure business.

On 15 February 2022, the Company announced the collaboration between Raffles Digital and Digital Treasures Center Pte. Ltd., a Singapore digital payment gateway service provider, to jointly develop new businesses internationally especially in the crypto to fiat payment technology systems and services. For more information, please refer to the announcement dated 15 February 2022 available [here](#).

On 25 February 2022, the Company announced the partnership between Raffles Digital and VC Wealth Company Limited a financial institution incorporated in Thailand, to establish the preliminary framework towards a Partnership Agreement to jointly develop and provide technology services in Thailand. For more information, please refer to the announcement dated 25 February 2022 available [here](#).

ENTRY INTO A MEMORANDUM OF UNDERSTANDING FOR TECHNOLOGY SERVICE PROVIDER AND PARTNERSHIP AGREEMENT

The Company is pleased to update its shareholders that Raffles Digital has, on 01 March 2022, entered into a Memorandum of Understanding for Technology Provider (the “**MOU**”) and Partnership Agreement (the “**Partnership Agreement**”) (collectively, the “**MOU and Partnership Agreement**”) with KPM Securities Company Limited (“**KPM**”), a financial institution incorporated in Thailand, to establish the preliminary framework towards a partnership to jointly develop and provide technology services in Thailand.

The purpose of the MOU and Partnership Agreement is to establish a preliminary framework for the mutual development and provision of the parties' services for the parties' respective platforms and clients. The Partnership Agreement does not create any exclusive, proprietary or naming rights over Raffles Digital's services and/or any other service of Raffles Digital, subsidiary, and/or technology; nor does it permit the re-selling of Raffles Digital's services by KPM or any other entity.

The salient terms of the MOU and Partnership Agreement are as follows:

- (a) the scope of activities shall include, *inter alia*:
 - i. jointly developing and providing the relevant technology platforms to transform and digitalize KPM's business model.
 - ii. partnership to work together and develop technologies and software for companies in Thailand.
 - iii. partnership to develop the software as a service and the technology provider business to other licensed financial institutions in Thailand.
- (b) The Partnership Agreement is non-binding, save as provided in the Partnership Agreement, statement of intention to partner and collaborate between Raffles Digital and KPM regarding mutual roles, development, and terms.
- (c) each party shall be responsible for bearing its own operating costs, unless both parties agree to share specific pre-production costs, and in a proportion to be agreed in advance.
- (d) the initial term of the Partnership Agreement shall commence on the effective date of the Partnership Agreement and continue for a period of twelve (12) months, which term shall automatically renew for successive annual periods unless terminated by either party upon at least thirty (30) days written notice prior to the end of any term (the initial term, plus any applicable renewal term); provided in the event of any change in control of Raffles Digital, Raffles Digital shall have the right to terminate the Partnership Agreement upon seven (7) days' notice. Termination effected in accordance with the Partnership Agreement shall be without penalty to any party.
- (e) the Partnership Agreement will be governed by and construed in accordance with the laws of Singapore, without regard to principles of conflicts of laws. The parties agree that any action relating to the Partnership Agreement will be referred to and finally resolved by Singapore International Arbitration Center (SIAC) and each party waives its right to a change of jurisdiction or venue.

ABOUT KPM SECURITIES COMPANY LIMITED

KPM, incorporated in Thailand in June 2019, is a financial institution in Thailand licensed by the Securities and Exchange Commission, Thailand to operate as an underwriter and dealer of debt securities in Thailand.

KPM specialises in debt securities investment products, primarily in bonds. Bonds are investment securities where investors' monies are lent to private companies under the supervision of the Securities and Exchange Commission or government agencies for interest gains. KPM is currently headed by its chief executive officer, Mr. Surasak Boonyachai, who was formerly the managing director of UOB Kay Hian Securities Thailand. For more information, please visit <https://www.kpmsec.co.th/>.

KPM is now looking to develop an infrastructure to digitalize its trading platform jointly with Raffles Digital.

KPM is an independent third party and is not related to any of the Directors or controlling shareholders of the Company and their respective associates. As at the date of this announcement, KPM does not have any interest in the shares of the Company.

SOURCE OF FUNDS AND FINANCIAL IMPACT

The projects undertaken in connection with the Partnership Agreement leading from the MOU will be funded by the working capital of Raffles Digital as and when such projects are undertaken.

The Group's entry into the MOU and Partnership Agreement is not expected to have a material impact on the earnings per share and the net tangible assets per share of the Group for the financial year ending 30 June 2022.

INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in relation to the entry into the MOU and Partnership Agreement other than through their shareholdings (if any) in the Company.

FURTHER ANNOUNCEMENTS

As at the date of this announcement, the entry into the MOU and Partnership Agreement is not expected to change the risk profile of the Company. Accordingly, the Company will convene a special general meeting to obtain shareholders' approval for the proposed diversification into the digital infrastructure business at the relevant time when such obligation arise in compliance with the Listing Manual.

CAUTIONARY STATEMENT

Shareholders and potential investors of the Company should note that the partnership with KPM is in the preliminary stage and there is no certainty or assurance as at the date of this announcement that the partnership with KPM will materialise. The Company will make such announcements as may be necessary or appropriate to update its shareholders as and when there are any material updates in relation to the partnership with KPM.

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements made by the Company carefully. Shareholders and potential investors of the Company are advised to refrain from taking any action with respect to their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. Shareholders and potential investors of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Raffles Infrastructure Holdings Limited

Ryan Chiu Tzong Min

Executive Director and Deputy Chief Executive Officer

01 March 2022