
DELISTING NOTIFICATION – UPDATE ON EXIT OFFER

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 2 June 2023 in relation to the Singapore Exchange Securities Trading Limited’s (“**SGX-ST**”) reply notification letter received on 1 June 2023 that the SGX-ST has rejected the Company’s application for an extension of time to meet the requirement to exit from the Watch-List (Financial Criteria) under Listing Rule 1314 and that the SGX-ST will proceed to delist the Company pursuant to Listing Rule 1315 (the “**Rejection and Delisting Notification**”).

Pursuant to the Rejection and Delisting Notification and 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 as soon as practicable and no later than one month from the date of the Rejection and Delisting Notification (i.e., no later than one month from 1 June 2023).

After due discussions and deliberations by the management and Board, the Company wishes to inform shareholders that the Company would not be making any exit offer to its shareholders for the reasons set out below:

(1) No Exit Offer from Shareholders

The Company had reached out to the Company’s top 20 shareholders (which includes the Company’s controlling shareholders as at the date of this announcement) to enquire if they had any interest in taking over the Company by making an exit offer to the Company’s shareholders.

As at the date of this announcement, no exit offer proposals nor any indicative expressions of interest have been received by the Company from the top 20 shareholders. Further, as at the date of this announcement, no third-party investors have expressed interest in making an exit offer to the Company.

(2) No Exit Offer from the Company

As at 31 March 2023, the Group’s cash and bank balances amounts to approximately RMB 85.1 million (“**Cash Resources**”). That said, the Company wishes to highlight that it has two significant creditors with short-term obligations:

- (a) Firstly, there are trade liabilities and outstanding amounts owed to a non-controlling shareholder (宜宾路桥) under the Bo Dao Project (as defined below), amounting to RMB151.7 million as at 31 March 2023.
- (b) Secondly, there are trade payables owed to Chengdu Bowen Jinfu Technology Co., Limited, the Company's technology provider responsible for the customisation and the provision of the software-as-a-service business unit to the Company's clients under the Digital Infrastructure Business (as defined below), amounting to RMB9.5 million as at 31 March 2023.

In addition, the Company has other short-term operational cost commitments amounting to approximately RMB 1.0 million, encompassing professional fees, legal costs, expenses associated with local regulatory compliance, and other related expenditures. Further, the average monthly working capital requirement for the Group is at least RMB750,000, encompassing personnel costs, office rental charges, office-related expenses, and various costs associated with the conduct of business activities.

Accordingly, as the Company has committed to paying its short-term obligations and commitments (as set out above) amounting to approximately RMB 163.0 million, the Company does not have sufficient cash remaining to provide a meaningful exit offer to its shareholders.

Further, as at the date of this announcement, the Company only has one core asset remaining within the Group, which is the non-current and current trade receivables pertaining to the rural road construction project in China, implemented under a Public-Private Partnership ("PPP") agreement between Bo Dao Road Construction Co., Ltd (a subsidiary of the Company) and the Provincial Government (the "**Bo Dao Project**"). That said, under the PPP agreement, any change in equity ownership of Bo Dao Road Construction Co., Ltd before the completion of the Bo Dao Project would constitute a breach of contract, and the Provincial Government would retain the right to terminate the PPP agreement. Hence, disposing Bo Dao Road Construction Co., Ltd for the purposes of raising cash for the exit offer would result in a breach of the PPP agreement, and if the PPP agreement is terminated, the Company may face potential legal actions. In addition, the Company is unable to assign its interests under the PPP agreement at its sole discretion as such assignment, among other things, requires the consent of the Provincial Government.

The Company's digital infrastructure business segment, operated by the Company's subsidiary, Raffles Digital Infrastructure Pte. Ltd. (the "**Digital Infrastructure Business**"), only commenced in 2022 and more time is required for the Company to further develop and grow its Digital Infrastructure Business. Given the short runway, the Digital Infrastructure Business has yet to be a significant contributor to the Group's revenue and profit.

In summary, no exit offer proposals have been received by the Company as at the date of this announcement, and the Company, on its own, would not be making an exit offer to its shareholders as the Company (1) does not have sufficient cash resources remaining and (2) is unable to generate sufficient funds, to provide a meaningful exit offer to its shareholders.

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

30 June 2023