
RESPONSE TO QUERIES FROM SGX-ST

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”) and together with its subsidiaries, (the “**Group**”) would like to provide the following information in response to the queries from the Singapore Exchange Securities Trading Limited in relation to the appointments of Mr. Ryan Chiu Tzong Min as an Executive Director and Ms Agnes Chen as a Non-Executive Independent Director of the Company dated 26 January 2022 and the announcement on the appointment of Hong Leong Finance Limited to assist the Company on its continuing listing obligations dated 17 January 2022.

QUERY 1

With reference to the announcement on 26 January 2022 on the appointments of Mr. Ryan Chiu and Ms. Agnes Chen to the Board, we note that the Company had specifically disclosed that Mr. Ryan Chiu was appointed the “Executive Director of the Company to spearhead the Digital Infrastructure business segment within the Group.” Please elaborate on the Company’s strategic direction moving forward and whether the Company will continue with its current sole revenue generating project, the Bo Dao road construction project.

RESPONSE

The Company is still continuing with the current Bo Dao Road construction project. Bo Dao road construction Co Ltd is 90.91% owned by Raffles Infrastructure and is the Group's sole income generator. Bo Dao road construction project has been always outsourced to a main contractor who is also minority shareholder of Bo Dao road construction Co Ltd, PRC, and is currently being overseen by Mr Ryan Chiu, Deputy CEO and Executive Director and the management team in China. Total contract value (i.e. cost) is RMB550 million with 8.8% investment return per annum based on the Public Private Partnership (PPP) agreement signed in year 2018 and currently the project has been completed more than 80%. The Project is still continuing as before and we do not see any difference going forward. The project’s payments and receivables are being closely monitored by the China Chengdu finance team, reporting to our Deputy CEO and the finance team in Singapore.

The Company had previously announced on 22nd December 2021 that there will be a new business segment for the company – Raffles Digital Infrastructure, where the company will be capitalizing on the digitalization trend and providing digital infrastructure services to companies in the Regional Comprehensive Economic Partnership (“RCEP”) region, which comprises of 15 countries in the Asia Pacific Nations of Australia, Brunei, Cambodia, China, Indonesia, Japan, South Korea, Laos, Malaysia, Myanmar, New Zealand, the Philippines, Singapore, Thailand, and Vietnam. The purpose of the new business segment is in line with the Company’s direction to expand its revenue generating projects and businesses. This is also to ensure that the Company has other revenue generating projects other than the Bo Dao road construction project.

QUERY 2

With the recent resignations of (i) Mr Eric Choo Han Kiat (“**Mr Choo**”) as Executive Director and CEO of the Company with effect from 31 January 2022, (ii) Mr Leow Yong Kin as Independent Director with effect from 12 January 2022, and (iii) Mr Toh Tiong San as Independent Director with effect from 26 January 2022, please explain whether the Company will have the necessary experience and expertise on its Board to oversee the current Bo Dao road construction project given the recent changes in Board and key management personnel. In addition, please confirm that the new Board is familiar with the operations and the payment terms for the Bo Dao road construction contract and will ensure that all payments due to the Company will be duly followed and paid to the Company.

RESPONSE

As per the Company’s announcement dated 7 May 2018 (the “**Announcement**”), and the Company circular circulated on the 28 August 2018 (the “**Circular**”), the Company had invested into the Target Company of Bo Dao Road Construction Co., Ltd as part of the investment and cooperation agreement with Yibin Highway & Bridge Construction Co., Ltd (“**Yibin H&B**”), being a majority owned subsidiary of the Ding Neng Group and the representative of the existing equity holders of Bo Dao Road Construction Co., Ltd (the “**Bo Dao**”) at that time. Bo Dao is principally engaged in the business of road project construction, road project management, road project operation and road project maintenance.

As disclosed in the Announcement and the Circular, the rationale for the investment of RMB 100 million in cash (the “**Investment**”) in Bo Dao is in line with the Group’s strategic direction to expand its business to include investment in infrastructure projects.

Since the completion of the Investment, the infrastructure project has been managed by the project management team in Bo Dao. The recent changes in the Board structure does not have any impact in the structure of the current project management team in Bo Dao. The road projects continue to be built as per the specified project milestones.

Mr Choo, will remain as an employee of Bo Dao and Raffles Infrastructure (Chengdu).

The Company has disclosed in its Circular that it will be involved in the management of Bo Dao and will control the finances of Bo Dao. It was also disclosed that the Company will also engage a third-party project management company with industry track record to manage the project. The contract project was awarded to Yibin H&B which is responsible for the entire construction of the project and the project management. Yibin H&B is also a shareholder of Bo Dao.

The project’s progress, payments and revenues continue to be monitored and reconciled by the China Chengdu finance team and are also monitored by our Finance team in Singapore as well. Upon the departure of Mr Choo, the outgoing CEO and ED of the Company, the other Company’s directors, Mr Li Jia Chen and Mr Ma Zhi, both of whom are based in China will continue to assist the Company in monitoring the project. The new Board and the AC chair are also familiar with the operations and payment terms for the Bo Dao road construction contract with quarterly reporting to the Board and reconciliation of the accounts to continue as per normal.

The Company's role in Bo Dao is mainly as an investor and to oversee the finances of Bo Dao details of which have been disclosed above. The Company is not involved in the project's operation and management as it has been outsourced to a third-party, Yibin H&B.

QUERY 3

Please clarify and explain what is meant by "[t]he Company has engaged the professional services of CSCGFM for the purpose of having Agnes on Board as the Independent Director of the Company." Please provide background information on CSCGFM and the role it has in the Company. Please elaborate specifically on the professional services sought by the Company from CSCGFM and how this relates to the appointment of Ms Agnes Chen to the Board of the Company.

RESPONSE

CSCGFM is a global leading provider of specialized administration services which include but not limited to Global expansion, corporate secretarial services, Corporate Trust services and Corporate Governance services such as Independent Directors. Given that Agnes Chen is a representative, and is employed with CSCGFM, and the Contract with CSCGFM is solely for the engagement and appointment of Agnes as the Independent director of the company. The Company had appointed Ms Agnes Chen as the independent director as part of the drive for board diversity in terms of gender, age, experience. The Company has no other business dealings with CSCGFM nor the engagement of any other professional services other than the appointment of an independent director for Corporate Governance. Ms Agnes Chen has no links to the company or any of its subsidiaries either. Conflict checks were conducted prior to the appointment.

Further Information of the company and its services can be found in the following links.

<https://www.cscgfm.com/en/about/>

<https://www.cscgfm.com/en/services/independent-directors/>

QUERY 4

Please disclose the fees to be paid to CSCGFM and to Ms Agnes Chen and the directors and shareholders of CSCGFM. Please elaborate how Ms Agnes Chen is deemed independent if CSCGFM is providing a significant service to the Company.

RESPONSE

Ms Agnes Chen is deemed independent as CSCGFM is only providing the professional service for the appointment of an Independent Director and there are no other significant service provided to the Company. The monthly Independent Director fee of SGD 3,000 is paid to CSCGFM as part of its service fee for the appointment of their representative, Agnes Chen, and there is no other fees payable to Ms Agnes Chen or to the directors and shareholders of CSCGFM.

QUERY 5

The Company disclosed on 17 January 2022 the appointment of Hong Leong Finance Limited ("HLF")

to assist and advise the Company on its continuing listing obligations with effect from 17 January 2022. Please disclose the specific terms of reference and responsibilities of HLF and the tenure of their engagement.

RESPONSE

HLF's scope of work includes reviewing draft announcements (e.g. periodic financial statements, proposed acquisitions and disposals) to be released by the Company with a view to ensure compliance and proper disclosures in accordance with the Rules. There is no specific tenure but the appointment may be terminated by either party at any time by giving written notice to the other party.

By Order of the Board

Ryan Chiu Tzong Min

Executive Director and Deputy Chief Executive Officer

31 January 2022