

RAFFLES INFRASTRUCTURE HOLDINGS LIMITED
(the "Company")
(Company Registration No.: 40381)
(Incorporated in Bermuda)

PROPOSED SUBSCRIPTION OF 10,000,000 NEW ORDINARY SHARES ("NEW SHARES") IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.20 FOR EACH NEW SHARE ("SUBSCRIPTION")

1. INTRODUCTION

1.1 The board of directors (the "Board" or "Directors") of the Company, together with its subsidiaries, (collectively the "Group") wish to announce that the Company has, on 15 September 2021 entered into a subscription agreement ("Subscription Agreement") with Yayuan Limited (the "Subscriber") for the proposed allotment and issue by the Company, and the subscription by the Subscriber, of a total of 10,000,000 New Shares.

1.2 In accordance with the terms, and subject to the conditions, of the Subscription Agreement, the Subscriber has agreed to subscribe and pay for the New Shares at the price of S\$0.20 for each New Share (the "Issue Price"), amounting to an aggregate Issue Price of S\$2,000,000.

The Subscriber is a company incorporated in Hong Kong, and has a business portfolio in the sectors of FMCG, Medical, Property, and Fintech across Asia, Africa and Central America. The sole and ultimate beneficial shareholder of the Subscriber is Mr. Vulcan Zhao. Mr. Zhao is a Chinese national and is an experienced entrepreneur, has established expertise and a wide range of business network in various sectors, including in the Fintech sector. Mr. Zhao was also responsible for the development of several digital apps including health-check appointment apps and health-declaration apps which are widely used by companies for their HR application and back-end processes.

1.3 When issued, the New Shares will be issued as fully paid and free from all claims, mortgages, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with the existing ordinary shares in the share capital of the Company ("Shares"), except that the New Shares shall rank for, including without limitation, any entitlements, distributions, dividends or rights, the record date in respect of which falls on or after the date of completion of the Subscription ("Completion").

1.4 As at the date of this announcement, the Company has an issued and paid-up share capital of 67,951,583 Shares. Immediately after Completion, and assuming that no further Shares are issued prior to Completion, the Company's issued and paid-up share capital will increase to 77,951,583 Shares (the "Enlarged Share Capital"). The New Shares represent approximately 14.71% of the existing issued and paid-up share capital of the Company, and will represent approximately 12.83% of the Enlarged Share Capital.

1.5 The Company will make an application to the Singapore Exchange Regulation Pte. Ltd. ("SGX-Regco") for the listing and quotation of the New Shares on the main board of the Singapore Exchange Securities Trading Limited ("SGX-ST") as soon as practicable. The Company will make the necessary announcement in due course when the listing and quotation notice (the "LQN") has been received from the SGX-ST.

1.6 The Subscription is undertaken pursuant to the private placement exemption under Section 272B of the Securities and Futures Act, Chapter 289 of Singapore. No prospectus or offer information statement will be lodged with the Monetary Authority of Singapore in connection with the Subscription.

1.7 As the New Shares represent 12.83% of the Enlarged Share Capital, Listing Rule 803 of the SGX-ST Listing Manual (the "**Listing Rules**") relating to the issue of securities to transfer a controlling interest in the Company does not apply. Further, none of the New Shares will be placed to any of the persons set out as "restricted persons" under Listing Rule 812.

1.8 No placement or introduction agent has been appointed in respect of the Subscription, and, therefore, no commission, brokerage or introductory fee will be payable by the Company.

2. **AUTHORITY TO ISSUE SHARES**

2.1 The New Shares will be allotted and issued pursuant to the general mandate granted by Shareholders at the annual general meeting of the Company held on 30 October 2020 for the issuance of new shares in the share capital of the Company (including the making or granting of offers, agreements or options that might or would require Shares to be issued) (the "**Share Issue Mandate**").

2.2 Under the Share Issue Mandate, the aggregate number of new shares to be issued cannot exceed 50 per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on a pro-rata basis, and cannot exceed 20 per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on a non-pro-rata basis.

2.3 For the purpose of determining the aggregate number of new shares that may be issued under paragraph 2.2 above, the percentage of issued Shares is based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time the resolution approving the Share Issue Mandate was passed, after adjusting for: (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time the said resolution was passed; and (ii) any subsequent bonus issue or consolidation or subdivision of Shares.

2.4 As at 30 October 2020, being the date the Share Issue Mandate was granted by shareholders, the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) was 67,951,583. As at the date of this announcement, the Company has not issued any new Shares pursuant to the Share Issue Mandate. Accordingly, the maximum number of new shares that may be issued on a non-pro-rata basis is 13,590,316 Shares. The proposed allotment and issuance of 10,000,000 New Shares is within the limits of the Share Issue Mandate, and the prior approval of Shareholders is, therefore not required.

3. **PRINCIPAL TERMS OF THE SUBSCRIPTION**

3.1. **Issue Price**

The volume weighted average price ("**VWAP**") per Share was S\$0.18 for trades done on the mainboard of the SGX-ST on 14 September 2021 being the full market day on or immediately prior to the date the Subscription Agreement was signed. The Issue Price of S\$0.20 for each New Share therefore represents a premium to the VWAP per Share.

3.2. **Conditions of the Subscription Agreement**

Effectiveness of the Subscription Agreement

Pursuant to the terms of the Subscription Agreement, the legally binding nature and effectiveness of the Subscription Agreement is subject to the Subscriber having paid to the Company a sum of S\$500,000 (“**Deposit**”). The Deposit is refundable to the Subscriber within five (5) Business Days if Completion does not take place by the Cut-Off Date (unless extended by the parties thereto) or if the Subscriber terminates the Subscription Agreement in accordance with the terms of the Subscription Agreement but will not otherwise be refunded for any other reason, including where the Company has terminated the Subscription Agreement arising from a material breach of the terms of the Subscription Agreement by the Subscriber.

As at the date of this Announcement, the Deposit has been made.

Conditions to Completion

Completion is conditional upon:

- (a) the receipt by the Company of the listing and quotation notification (“**LQN**”) from the SGX-ST prior to or by the Cut-Off Day (which is defined as 45 calendar days from the day the Company submits an application for the listing and quotation of the New Shares to the SGX-Regco), and such LQN being in full force and effect on Completion Day (as defined in the Subscription Agreement); and, further, if the LQN is subject to conditions, such conditions being reasonably acceptable to the Company and/or the Subscriber (as determined by each Party in its discretion) and are timeously and satisfactorily fulfilled;
- (b) the issue and subscription of the New Shares not being prohibited by any Applicable Laws (as defined in the Subscription Agreement);
- (c) the requirements of the exemption under Section 272B of the SFA having been complied with and not breached; and
- (d) the representations and warranties of the Company and the Subscriber in the Subscription Agreement being true and accurate and not misleading as at the date of the Subscription Agreement, and remaining true and accurate and not misleading at all times between the date of the Subscription Agreement and Completion Day, as if repeated on each day after the date of the Subscription Agreement with reference to the facts existing on each such day.

4. FURTHER INFORMATION ON THE SUBSCRIBER

4.1. Neither the Subscriber, any of its directors, nor its sole shareholder and ultimate beneficial owner, Mr. Zhao is:

- (a) a director, substantial shareholder or immediate family member of a director or substantial shareholder of the Company;
- (b) a substantial shareholder, related company, associated or sister company of a substantial shareholder of the Company;
- (c) a corporation in which a director or substantial shareholder of the Company has an aggregate interest of at least 10%.

4.2. The Company was introduced to the Subscriber and its sole shareholder and ultimate beneficial owner, Mr. Zhao through business networking. The Subscriber is interested in the Subscription for his own investment purposes.

4.3. Other than the New Shares that on completion the Subscriber will own, neither the Subscriber nor Mr. Zhao holds, directly or indirectly, any Shares.

5. RATIONALE AND USE OF PROCEEDS

5.1. The Directors are of the view that the Subscription is beneficial to the Group as this represents the Company's commitment in pursuing new revenue stream(s) in the medical and/or digital technology infrastructure sectors. The Directors are also of the view that having the Subscriber as a shareholder may potentially open up more opportunities for the Company in the medical and/or digital technology infrastructure sectors, and may potentially provide new avenues of revenue for the Group.

5.2. The estimated net proceeds from the Subscription (after deducting professional fees and related expenses of approximately S\$25,000) are approximately S\$1,975,000 (the "**Net Proceeds**").

5.3. The Company intends to utilise, and has undertaken to the Subscriber that it will utilise, the Net Proceeds as follows:

- (a) up to 80% to be slated for the purpose of establishing new revenue stream(s) in the management and development of healthcare and/or digital technology infrastructure in Asia; and
- (b) up to 20% to be slated for working capital purposes of the Company and its Group.

5.4. The Company will make periodic announcements on the utilisation of the Net Proceeds as and when the Net Proceeds are materially disbursed, including whether the use was in accordance with the stated use and the percentage allocated in this announcement. It will also provide a status report on the utilisation of such Net Proceeds in its annual report(s). Where the Net Proceeds are used for working capital purposes, the Company will provide a breakdown with specific details on how the Net Proceeds have been applied in the relevant announcements and annual report(s). Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

5.5. Pending deployment for the purposes set out above, the Net Proceeds may be placed as deposits with banks and/or financial institutions or invested in short-term money markets or debt instruments or for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time.

6. CONFIRMATION BY THE BOARD

The Board is of the opinion that, as at the date of this announcement:

- (a) after taking into consideration the Group's present internal resources and present bank facilities available to the Group, the Group has sufficient working capital to meet its present requirements. Notwithstanding, the primary purpose of the Subscription is to raise funds for establishing new revenue stream(s) described in paragraph 5.3(a) above; and
- (b) after taking into consideration the Group's present internal resources, present bank facilities available to the Group and the Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

7. FINANCIAL EFFECTS OF THE SUBSCRIPTION

The financial effects arising from the Subscription are set out below and have been prepared based on the Group's unaudited consolidated financial statements for the financial year ended 30 June 2021 ("FY2021"). They are for illustrative purposes only and are not intended to reflect the actual future financial performance or position of the Group immediately after Completion.

7.1. Share Capital

The effect of the Subscription on the share capital of the Group is as follows:

	Before the Subscription	After the Subscription
As at 30 June 2021 (RMB'000)	192,187	201,807
As at 30 June 2021 (SGD'000)	40,013	42,013

7.2. Net Tangible Assets ("NTA")

The effects of the Subscription on the unaudited consolidated NTA per Share of the Group as at 30 June 2021, assuming that the Subscription had been effected on 30 June 2021, are summarised below:

	Before the Subscription	After the Subscription
Consolidated NTA (RMB'000)	213,962	223,582
Number of Shares excluding treasury shares ('000)	67,952	77,952
Consolidated NTA per Share (cents)	3.15	2.87

7.3. Earnings per Share ("EPS")

The effects of the Proposed Acquisition on the audited consolidated EPS of the Group for FY2021, assuming that the Subscription had been effected at the beginning of the financial year, i.e., 1 July 2020, are summarised below:

	Before the Subscription	After the Subscription
Profit attributable to equity holders of the Company (RMB'000)	3,031	3,031
Weighted average number of Shares excluding treasury shares ('000)	67,952	77,952
Consolidated EPS (cents)	0.04	0.04

8. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or (in so far as the Directors are aware) any of the Company's Substantial Shareholders or their associate(s): (a) has any interest, whether direct or indirect, in the Subscription, other than through their respective shareholdings in the Company, if any; and (b) has any connection (including business relationship) with the Subscriber, any of its directors and/or shareholder, where applicable.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading.

Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

10. DOCUMENTS AVAILABLE FOR INSPECTION

The Subscription Agreement is available for inspection during normal business hours at the Company's Share Registrar and Share Transfer Agent, Tricor Barbinder Share Registration Services (a business division of Tricor Singapore Pte. Ltd.) at 80 Robinson Road, # 11-02 Singapore 068898 for a period of three (3) months from the date of this announcement.

11. FURTHER ANNOUNCEMENTS

The Company will make further announcements to update Shareholders as and when there are material developments relating to the Subscription.

12. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. There is no certainty or assurance that the Subscription will be completed. The Company will make the necessary announcements, in compliance with the requirements of the Listing Rules, as and when there are material developments in respect of the Subscription, and other matters contemplated in this announcement. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Eric Choo Han Kiat
Executive Director
Wednesday, 15 September 2021