
ENTRY INTO A JOINT VENTURE for TRUST GREEN CITY PROJECT

The Board of Directors (the “**Board**”) of Raffles Infrastructure Holdings Limited (the “**Company**”) and together with its subsidiaries, the “**Group**”) wishes to provide an update in relation to the progress on the township development project in Dhaka, Bangladesh (“**Project**”) with the Army Welfare Trust of the People’s Republic of Bangladesh (“**AWT**”).

1. BACKGROUND

On 30 November 2020, the Company has executed the final agreement with the AWT. The Company has entered into a joint venture agreement (“**JV**”) with Cupertino Power Ltd (“**CPL**”).

2. THE JOINT VENTURE

- 2.1 For the purpose of the Project, the Company is forming a joint venture company (“**JVC**”) through its wholly-owned subsidiary, Raffles Infrastructure Investments (Singapore) Pte. Ltd. (“**RII**”), on completion known as Raffles Infrastructure Development Pte. Ltd., with CIPL (collectively referred to as the “**Parties**”) to develop the Project.
- 2.2 The JVC shall be incorporated in Bangladesh, named as Raffles Infrastructure Development Bangladesh Ltd.
- 2.3 The authorized share capital of the JVC will be Tk. 3, 00, 00,000/- (Three Crore) only divided in 3,00,000 (Three Lacs) ordinary shares of Tk. 100/- (One hundred). Tk 100 is approximately equivalent to \$1.60 Singapore Dollars.
- 2.4 Upon allotment and issuance of the shares to each of RII and CPL, each of them will hold the following number and percentage of shares in the issued and paid up capital of the JVC.

	<u>Number of Shares</u>	<u>Percentage of Enlarged Share Capital</u>
RII	Shares	85%
CPL	Shares	15%

- 2.5 When the JVC has been formed and all shares have been allotted and issued to RII and CPL, the JVC will be an indirect subsidiary of the Company, holding 85% of all the issued share capital of the JVC through RII.
- 2.6 The directors of the JVC shall comprise up to 4 Directors. RII shall be entitled to appoint 3 Directors to the Board, and CPL 1 Director.

- 2.7 The Parties agree that CPL's responsibilities in the Business shall be as follows:
- i CPL shall be responsible for the hiring of a management team who will be running the Business and day-to-day operations of the Company, and the delivery of any profit and business objectives;
 - ii CPL shall be responsible for procuring the establishment of various strategic resources in the defined territories;
 - iii CPL shall be responsible for procuring outsource contractors with all relevant governmental permits, approvals and licences required in connection with the establishment of the Business in the Territory;
 - iv CPL shall be responsible for providing the necessary expertise, know-how and capabilities required in connection with performing the Business in the Territory; and
 - v the Parties will be jointly responsible for all other matters not specified in (a) to (d) above which are essential or beneficial for the Business.
- 2.8 The parties have agreed that if the board of the JVC resolves that the JVC requires additional working capital, such additional working capital shall be provided in the following sequence, unless otherwise agreed in writing between the parties:
- (a) firstly, by means of overdraft or other borrowings from banks;
 - (b) secondly, by the parties by way of further capital contributions in proportions which reflect their respective shareholdings in the JVC at the date on which such contributions are to be made; and
 - (c) thirdly, by way of loans from the Parties in proportions which reflect their respective shareholdings in the JVC at the date on which such loans are to be made.

3. BUSINESS AND RATIONALE OF THE JOINT VENTURE

- 3.1 The purpose of the joint venture is for the JVC to carry out the Business of developing the Project, and such other business as the parties may agree from time to time.
- 3.2 The establishment of a local company in Bangladesh is necessary for carrying on the Project, in particular, the application of various licences and permits from the relevant authorities in Bangladesh.
- 3.3 The Company believes that choosing a local partner such as CPL will smooth the way for the Company in carrying out the Project in terms of local knowledge, contacts and dealings with the relevant authorities and business partners on the ground.

4. FINANCIAL EFFECTS OF THE PROPOSED SUBSCRIPTION TO SHARES OF THE JVC

The subscription of the 85% shares by RII in the JVC will be funded through internal resources

and is not at present expected to have any material impact on the net tangible assets and earnings per share of the Group for the financial year ended 30 June 2021.

5. THE JOINT VENTURE PARTNER

Cupertino Power Ltd is company of Capricorn's Group in Bangladesh that is engaged in facilitating Project Development, Management and Supplier specializing in Project Planning, Technology Selection, Feasibility Studies and setting up Operations for investors and entrepreneurs from USA, Singapore and Japan. Its endeavours include facilitating large scale investments for Power Plant, LPG Terminal, Bottling Plants, Real Estate Development and Supply of high technology equipment.

Capricorn made its debut first with its successful execution of two major international events in the 2009 and 2011, the South Asian Games Opening and Closing Ceremony and the ICC World Cup Cricket in partnership with Aquatique Show International, France and CGP Singapore with a budget over USD 4 Million.

Capricorn's is working with BLUESTONE Environmental LLC, a USA based environmental for waste-to-energy (w2e) project in Bangladesh and it being facilitated by CPL at the moment. Cupertino Power has already moved a 200,000 BOPD Refinery Project at Moheshkhali proposed by McKeown Development Company in USA with Bechtel and Foster Wheeler as their EPC on 500 acres of land. They have received an official go ahead from BEZA this month on receipt of LOI from Mckeown Development Company Ltd USA.

CPL is developing dredging projects in cooperation with CRCC Harbor Channel Engineering Bureau Co Ltd at Bangladesh Economic Zone, Mirsarai. It supports Bangladesh Navy with Fuel supply for their dredging projects and some of their ships. CPL has received over US\$ 4 million Work Order for providing majority of high technology equipment to Bangabandhu Military Museum which will be opened in March 2021.

6. DIRECTORS AND SUBSTANTIAL SHAREHOLDERS INTEREST

None of the Directors, substantial shareholders of the Company and any of their respective associates has any interest, direct or indirect, in CPL.

7. FURTHER UPDATES

The Group will make further announcement when there are material developments in this matter. 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, unless a trading halt or suspension is effected in accordance with the Listing Rules.



By Order of the Board

Eric Choo Han Kiat

Executive Director and Chief Executive Officer

01 December 2020