

## RAFFLES FINANCIAL SHAREHOLDERS UPDATE

Singapore, March 10, 2023, **Raffles Financial Group Limited** (CSE: RICH) ("**RFG**" or the "**Company**") This is to give shareholders an update on the corporate and audit status of the Company.

### **Recent guidance from China's Ministry of Finance on auditor's appointment for overseas listed Chinese entities**

It is widely reported that recently China's Ministry of Finance had urged overseas-listed Chinese entities in China to phase out using the four biggest international accounting firms, signaling continued concerns about data security even after Beijing reached a deal to allow US audit inspections on hundreds of Chinese firms listed in North America. These parent entities were urged to hire local Chinese or Hong Kong accountants to replace their contracts with international accounting firms when they gradually expire.

China is seeking to rein in the influence of the US-linked global audit firms and ensure the nation's data security, as well as to bolster the local accounting industry. Chinese authorities have been giving the same suggestion to state-backed firms for years, but recently re-emphasized that entities should use other local auditors than international firms.

We expect the guidance will make us even harder to seek a North America's auditor who is willing to accept our outstanding audit of FY2021 which has an unresolved audit matter in China. At this moment there is no North American auditor expressed a confirmation to the Company in engaging with us in light of the hurdles and difficulties as explained in our recent news releases (whereas most active CPAB registered auditors are in North America countries).

### **Update on lifting from the cease trading order (CTO)**

Mr. Huang Chuan, the newly appointed CEO of the Company, is assisting in sourcing recognizable auditor in China. In light of the situation as mentioned above, we are now in discussion with two auditors, one in China and another in Southeast Asia region and awaiting one of their acceptances of engagement.

Should the Company successfully engage an auditor, it would take three to six months to complete the two outstanding audit reports (for the financial year ended June 30, 2021 and 2022) and all the quarterly reports and get clearance from CSE for trading resumption.

### **Update on the Proposed distribution of free shares of USCo to RFG's shareholders**

Further to our News Release on February 16, 2023, the Company is still waiting our Canada and US lawyer to craft out the necessary legal and administrative procedures of free USCo's shares distribution, which require compliance with the registration rules under the US Securities Act of 1933 and BCSC's requirements.

Should these procedures be cleared by our legal counsels, the Company will proceed to distribute 50,150,000 USCO's shares at US\$0.0001 par value each (being the same amount of the total issued shares of RFG) to the existing shareholders of RFG without payment of any consideration whatsoever by the RFG shareholders on a one (1) USCo shares for each share of RFG. Such distribution of the free USCo shares to RFG shareholders is proposed to be done by way of dividend distribution in species.

We believe our approach as stated above is the best course of action to relieve the Company and shareholders of the impact and suffering this event has caused all of us.

We thank all stakeholders for your care and patience during this difficult time and we do whatever we can to seek relief that this event has caused us. We will keep all stakeholders duly updated.

**About Raffles Financial Group Limited (CSE: RICH)** Raffles Financial Group is listed on the Canadian Securities Exchange Purchasable under the stock symbol (RICH:CN).

**On behalf of the RFG Board of Directors**

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The CSE has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

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