

## RAFFLES FINANCIAL SHAREHOLDERS UPDATE

**Singapore, July 28, 2022, Raffles Financial Group Limited** (CSE: RICH) (FSE: 4VO) (OTCQX: RAFFF) ("RFG" or the "Company") This is to give shareholders an update on the audit status of the Company.

China is still facing COVID-19 restriction measures in light of the surging Omicron variant cases. China's authorities are still maintaining mass locking down several major cities and COVID-adjusted requirements on Chinese VISA application on foreigners to curb the recent outbreak. The zero Covid-19 policy ramping up by the China authorities is not only hindering the audit work of us but also of other public companies listed on overseas exchanges like US, Singapore and Hong Kong with business in China.

Another difficulty the Company faces in completing the outstanding audit matter is the entry barrier and limitation imposed by the China authorities on the overseas auditors to enter China to access certain books and records of those overseas listed Chinese enterprises. We are not the only overseas entity with China-based operations being affected by these Chinese measures and having its stock trading ceased. It is widely reported that US regulators has long demanded complete access to the books of US-listed Chinese enterprises, but China authorities, citing national security concerns, prohibits foreign inspection of working papers from US registered accounting firms. As recently affirmed by the China Securities Regulatory Commission (CSRC), Chinese enterprises are required to comply with relevant national data information management laws, rules and regulatory requirements, regardless of the enterprises being overseas listed. Amid this dispute between US regulators and China authorities, it is reported that more than 270 Chinese enterprises listed in New York have been identified as being at delisting risk because of these Chinese measures.

As previously announced, we have been actively approaching different qualified auditors who could provide a more effective solution to resolve the outstanding audit matter in China.

In light of the current cease trade order caused by the outstanding audit matter, we are also exploring other options like corporate restructuring exercise and considering potential mergers or acquisition offers to work around the dilemma for the sake of regaining corporate and shareholders' value, in case the Company could not resume its trading in near term. As shareholders' interest is always our top priority, we are completely committed to doing everything we can to get over the obstacle, so as to enable our shareholders to trade their shares freely in any way and manner as soon as possible.

**About Raffles Financial Group Limited** (CSE: RICH) (GR: 4VO) (OTC:RAFFF) Raffles Financial Group is listed on the Canadian Securities Exchange Purchasable under the stock symbol (RICH:CN), the Frankfurt Stock Exchange under the stock symbol (4VO:GR) and the OTC Markets under the stock symbol (RAFFF:OTCQX).

### On behalf of the RFG Board of Directors

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