RAFFLES UNITED HOLDINGS LTD
(Incorporated in the Republic of Singapore)
(Company Registration No.: 197302030N)

RESPONSE TO SGX QUERY REGARDING APPOINTMENT OF AUDITORS FOR ITS FOREIGN-INCORPORATED SUBSIDIARIES

In response to the query raised by the Singapore Exchange Limited ("SGX") in its e-mail dated 10 April 2018 in connection with the appointment of auditors for our foreign-incorporated subsidiaries, we wish to reply as follows:

SGX's Query:

Listing Rule 715(2) states that the Company should "*must engage a suitable accounting firm for its significant foreign-incorporated subsidiaries and associated companies"*.

We note that the Company stated on pages 75 to 77 of its Annual Report that its foreign-incorporated subsidiaries are audited by Kreston International, Shanghai Acumen and Dicky Lau & Co. Please let us have the Board's and Audit Committee's confirmation of the suitability of these auditing firms and the basis for their assessment.

Company's Response:

The Board and Audit Committee have confirmed the suitability of these auditing firms in their respective country of registration after taking into consideration their profile, size, experience and track record. The Board and Audit Committee believe that the appointment of these auditing firms would not compromise the standard and effectiveness of the audit of its foreign-incorporated subsidiaries.

In addition, these foreign-incorporated subsidiaries are considered not significant as their individual net tangible assets or pre-tax profits represent less than 20% of the Company's consolidated net tangible assets or pre-tax profits as defined in the SGX Listing Manual. PT Kian Ho Indonesia, audited by Kreston International HHES, is currently in active operations; Kian Ho (H.K.) Company Limited, audited by Dicky Lau & Co, ceased operations since 2016; and Kian Ho (Shanghai) Co., Ltd, audited by Shanghai Acumen, ceased operations since September 2017.

BY ORDER OF THE BOARD

Tan Saik Hock
Chairman
12 April 2018