

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

PROPOSED CHANGE OF AUDITORS

The Board of Directors (the “**Board**”) of Raffles United Holdings Ltd (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its announcements dated 4 March 2019 and 18 March 2019 in relation to the proposed change of auditors of the Company for the current financial year ending 31 December 2019.

The Board wishes to further announce the Company’s intention to undertake a change of auditors (“**Auditors**”) from Deloitte & Touche LLP (“**DT**”) to Baker Tilly TFW LLP (“**Baker Tilly**”) (the “**Proposed Change of Auditors**”).

DT was re-appointed as Auditors at the last annual general meeting of the Company (“**AGM**”) held on 8 April 2019, to hold office until the conclusion of the next AGM. As part of the ongoing corporate governance initiatives and cost saving exercise, the Board is of the view that it would be appropriate and timely to effect a change of Auditors subject to the approval of the shareholders of the Company (the “**Shareholders**”) at an Extraordinary General Meeting of the Company (the “**EGM**”) to be held in due course. The Board believes that a change of Auditors would enable the Company to benefit from the fresh perspectives and views of another professional audit firm, thereby enhancing the value of the audit.

The Board, in consultation with the audit committee of the Company and having considered various factors, *inter alia*, the fee proposals from various audit firms, the adequacy of resources, the experience of the audit firm and the audit engagement partner, the number and experience of supervisory and professional staff, the audit firm’s other audit engagements and the size and complexity of the Group’s operations, is of the opinion that Baker Tilly is the most suitable candidate and that (i) Baker Tilly would be able to meet the overall audit requirements of the Group; and (ii) the appointment of Baker Tilly would be in compliance with Rules 712, 715 and 716 of the Listing Manual. The Board is thus recommending that Baker Tilly be appointed as the new Auditors.

In this regard, Baker Tilly had, on 15 April 2019, given its written consent to be appointed as Auditors and had on 15 May 2019, confirmed that it has not withdrawn its consent to act as Auditors, subject to the approval of Shareholders at the EGM to be convened.

On 15 April 2019, DT informed the Company of its application to the Accounting and Corporate Regulatory Authority of Singapore (“**ACRA**”) to seek ACRA’s consent to resign as Auditors. Subsequently, DT had, on 29 April 2019, received a letter from ACRA consenting to its resignation as Auditors and pursuant to the consent from ACRA, DT provided the Company with its notice of resignation and a written statement of its reasons for its resignation as Auditors (the “**Written Statement**”). A copy of the Written Statement is attached to this announcement.

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In accordance with Section 205AB(5) of the Companies Act (Cap. 50) of Singapore (the “**Companies Act**”), the resignation of DT as Auditors took effect on 29 April 2019. Pursuant to Rule 712(3) of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “**Listing Manual**”) and Section 205AF of the Companies Act, the appointment of Baker Tilly as Auditors in place of DT must be specifically approved by Shareholders in a general meeting. The appointment of Baker Tilly as Auditors will therefore take effect upon the approval of the Shareholders at the EGM, and if appointed, Baker Tilly will hold office until the conclusion of the next AGM.

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

- (a) DT has confirmed to Baker Tilly that it is not aware of any professional reasons why Baker Tilly should not accept the appointment as Auditors;
- (b) the Company confirms that there were no disagreements with DT on accounting treatments within the last 12 months up to the date of this announcement;
- (c) the Company confirms that it is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this announcement;
- (d) the Company confirms that the specific reasons for the Proposed Change of Auditors have been disclosed in this announcement. The Proposed Change of Auditors is due to the resignation of DT as Auditors, and is neither due to DT declining to stand for re-appointment as Auditors nor due to the dismissal of DT as Auditors; and
- (e) the Company confirms that it complies with Rules 712, 715 and 716 of the Listing Manual in relation to the appointment of Baker Tilly.

The Board wishes to express their appreciation for the services rendered by DT in the past.

A circular on the Proposed Change of Auditors, together with a notice of EGM, will be despatched to Shareholders in due course.

BY ORDER OF THE BOARD

Teh Geok Koon
Director
16 May 2019

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Written Statement

Deloitte.

Appendix A

The reasons for the resignation as included in the application to ACRA are as follows:

- As part of RUH's ongoing corporate governance initiatives and cost saving exercise, the Directors of RUH are of the view that it would be appropriate to effect a change of RUH's and KHPL's external Auditors.