

## Raffles Status Update of Finalizing Year-End Financial Statements and Disclosure of Financial Information of the Major Operating Subsidiary

Singapore, December 30, 2021 – Raffles Financial Group Limited (CSE: RICH) (FSE: 4VO) (OTCQX: RAFFF) (“Raffles”, “RFG”, the “Company” and together with its subsidiaries collectively as the “Group”) wishes to ensure that it continues to keep all of our shareholders updated on the affairs of the Company, and as such the Board is today releasing an update on Raffles' status of finalizing the Group's year-end financial statements. As disclosed in the RFG's news release dated 21 December 2021, RFG had successfully retrieved certain financial information that would be crucial in finalizing its audit financial statement. Today RFG wishes to update our shareholders that, despite our management's efforts in supplementing the necessary information to the Group's Auditor to expedite the audit for the aforesaid financial information, they notified RFG that they are unable to proceed and complete the audit until they return from the holiday in early January 2022. Therefore, RFG expects the audit cannot be completed until January 2022 whereas RFG will work with the Group's Auditor to pursue filing the Annual Filings as soon as they are available.

On the other hand, the audit on the only operating subsidiary of RFG, Raffles Financial Private Limited. ("RFP"), which is performed by another auditor in Singapore, is completed and its audit report<sup>1</sup> is issued to the Board. RFG believes RFP's audited financial information is relevant information for our shareholders to understand the financial performance of Raffles. Therefore, although the Group's audit is still pending, the Board wishes to present the following management discussion and analysis of the key financial performance of RFP to our shareholders with reference to the RFP's audit report.

### Overall Performance of the Group's Major Operating Subsidiary

Comparative Summary of Key Financial Metrics for the financial year ended June 30, 2020 (“FY2020”) and 2021 (“FY2021”) are as follows;

	<b>FY2021</b> <b>S\$</b>	<b>FY2020</b> <b>S\$</b>
Revenue	4,999,880	8,866,672
Other income	9,161,901	5,849
Other losses and allowance - net	(6,139,767)	-
Administrative expenses	(977,346)	(1,340,476)
Income tax provision	(849,980)	(1,326,415)
Fair value gains – equity investments	265,208	-
<b>Total Comprehensive income</b>	<b>6,459,896</b>	<b>6,205,630</b>

The Company's major and only operating subsidiary RFP is the sole business operating unit and revenue contributor of the Group. In FY2021, RFP recorded a revenue of S\$4,999,880 which was derived from three major service segments, namely (i) Re-structuring and Corporate Finance Advisory service with service fee amounting to S\$2,000,000 rendered at a point in time; (ii) IPO and Global Fund Raising Advisory service with service fee amounting to S\$2,000,000 rendered over time, and (iii) licensing service with licensing fee amounting to S\$999,880 rendered over time. The revenue decreased from S\$8,866,672 in FY2020 to \$4,999,880 in FY2021, which was attributable to (i) the COVID-19 pandemic which caused travel restrictions and shutdowns that delayed and suspended the delivery of RFP's advisory and licensing services, and created difficulties for RFP in serving clients in most of the

<sup>1</sup> The audited financial statements in the audit report of RFP are the separate financial statements of RFP prepared in accordance with Singapore Financial Reporting Standards. RFP is exempted from preparation of consolidated financial statements as it is a wholly-owned subsidiary corporation of Raffles Financial Group Limited which produces consolidated financial statements available for public use.

major cities RFP was operating including, among others, China, Hong Kong and Singapore, and (ii) suspension in licensing service with several PRC clients who were contracted with in FY2020.

Other income of S\$9,161,901 pertained mainly to an intercompany dividend received from a subsidiary of RFP. Other losses and allowance (net) were largely attributable to a waiver of an intercompany loan receivables from a subsidiary of RFP and a write-off of certain receivables with slow repayment as per the repayment schedules. Whereas receivables have been written off, RFP continues to urge debtors for faster repayment. Where recoveries of receivables exceeds the written-off amount, the excess will be recognised in profit or loss as an income in the current financial period. The overall decrease in administrative expenses in FY2021 over FY2020 was mainly due to the stringent cost control measure RFP put under the COVID-19 pandemic and decrease in corporate and listing exercises related expenses compared with FY2020.

The total comprehensive income for the year increased from S\$6,205,630 in FY2020 to S\$6,459,896 in FY2021.

The management has uploaded the full audit report to the Company's website for shareholders' information. Shareholders may access the report at <https://www.rafflesfinancial.co/newsroom>.

### **About Raffles Financial Group Limited**

RFG is listed on the Canadian Securities Exchange under the stock symbol (RICH:CN), the Frankfurt Stock Purchase under the stock symbol (4VO:GR) and the OTC Markets under the stock symbol (RAFFF:OTCQX).

RFP is the operating subsidiary of Raffles Financial Group Limited

Please visit [www.rafflesfinancial.co](http://www.rafflesfinancial.co) for more information.

RFP (a wholly owned subsidiary of RFG) is an exempt corporate finance advisory firm, registered with the Monetary Authority of Singapore, which provides public listing advisory and arrangement services. RFP serves as advisor for family trusts, family offices and investment funds.

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