

RAFFLES FINANCIAL GROUP LIMITED

3 Shenton Way #11-01 Singapore 068805

NOTICE OF CHANGE OF AUDITOR

To: British Columbia Securities Commission
Ontario Securities Commission
Alberta Securities Commission
Yukon Securities Commission
Canadian Securities Exchange
MNP LLP, Chartered Professional Accountants

NOTICE IS HEREBY GIVEN that, on the advice of the Audit Committee of the Raffles Financial Group Limited (the "Company"), the Board of Directors of the Company resolved on April 22, 2022 that:

- a) The acceptance of the resignation of MNP LLP, Chartered Professional Accountants, to be effective April 22, 2022, as auditors of the Company be accepted.

In accordance with **National Instrument 51-102** *Continuous Disclosure Obligations* ("**NI 51-102**") we confirm that:

- a) The Audit Committee of the Board of Directors has accepted the resignation of MNP LLP, Chartered Professional Accountants as auditor for the Company (the "**Former Auditor**");
- b) the Corporation, and the Board of Directors of the Company, notes that there has been a Reportable Events as defined in **NI 51-102** in connection with the uncompleted audit for the financial year ended June 30, 2021 of the Company, for which MNP LLP, Chartered Professional Accountants, reported that there were "unresolved issues" arising from deficiencies in governance, internal control and audit evidence which impaired their ability to reach a conclusion regarding the matters disclosed in the Company's press release dated December 21, 2021.

In such December 2, 2021, news release, the Company reported that a director without authorization of the Board of the Company had entered the Company into a binding Memorandum of Understanding ("MOU") with Changsha HuDuoBao Technology Co Ltd ("HDB"). As per the MOU and certain documents attached therein, through this director the Company made a deposit of RMB 102 million for the first right of refusal to acquire 100% of HDB subject to due diligence satisfaction and both parties' board and shareholder approvals. The Company RFG also checked with HDB and received an acknowledgment from their officers on the receipt of the deposit of RMB 102 million and the current amount due to RFG of the same amount. The Company concurrently announced that it entered into a 3-Year "Solution As A Service" Cloud-based System Right-to-Use Agreement (the "SaaS Agreement") with HDB to license to the Company and its agent(s) a right to use HDB's cloud-based e-malls, cash-less payment Apps, POS system, payment gateways, point-of-sale systems, customer-merchant relationship management, order fulfilment linkage, supply chain and logistic link way, procurement & distribution, accounting & reporting generation in 30 defined provinces and cities in China to provide e-commerce integrated solution to merchants. HDB shall provide instant 24/7 technical & application support and solutions to RFG as well. Pursuant to the SaaS Agreement, the Right-to-Use is on a period of 3 year for a monthly fee of RMB 2.5 million, to be deducted from the deposit that was placed in HDB as per the MOU.

The foregoing disclosure of the business transaction with HDB forms a material part of the financial disclosure of the Company and was the subject of review, audit and verification by the Former Auditor involving physical and virtual inspections at the offices of HDB in China and as announced by the Company in its news release of April 25, 2022 such process was effectively blocked by the absolute COVID-19 lockdown restrictions in regard of the surging Omicron variant cases. China's authorities

are still accelerating efforts in mass locking down several major cities to curb the recent outbreak. Because of such difficulties, the Company and the Former Auditor could not devise a plan to complete within a reasonable period the scope of the additional appropriate audit actions required by the Former Auditor, the procedures and logistics of the action and the workaround solutions for such limitations under the COVID-19 lockdown restrictions within the Company's budget for the audit report process.

- c) the notice, resignation, and letters of the auditors have been reviewed by the Audit Committee and the Board of Directors.

Dated May 2 , 2022

Per: signed "Charlie Inn"
Charlie Inn, Director