

RAFFLES FINANCIAL SHAREHOLDERS UPDATE

Singapore, February 16, 2023, **Raffles Financial Group Limited** (CSE: RICH) (FSE: 4VO) ("**RFG**" or the "**Company**") This is to give shareholders an update on the corporate and audit status of the Company.

Update on the cease trading order (CTO)

The Company is still under the CTO, which could only be lifted as and when the company finishes the audit for FY2021 and release the subsequent unreleased financial results. To get it removed, the management is still actively approaching PACB recognisable auditing firms in different regions who are willing to accept our audit engagement which has an unresolved audit matter in China. At this moment there is no auditor expressed a confirmation to the Company in engaging with us in light of the hurdles and difficulties as explained in our recent news releases. Mr. Huang Chuan, the newly appointed CEO of the Company, is assisting in sourcing recognisable auditor in China.

Should the Company successfully engage an auditor, it would take three to six months to complete the two outstanding audit reports (for the financial year ended June 30, 2021 and 2022) and all the quarterly reports and get clearance from CSE for trading resumption.

Assignment of SaaS agreement

Mr Huang Chuan is also in a discussion with a potential assignee in China for a proposal of assigning all the contractual rights and obligations of RFG's the 3-Year "Solution As A Service" (SaaS) Cloud-based System Right-to-Use Agreement as well as the right to the utilization of the CAD20 million performance deposit placed with HuDuoBao Network Technology Co., Ltd. ("**HDB**"), to his nominated financial institution, in exchange for offshore cash, assets, or any financial instrument ("Offshore Assets") that is acceptable to RFG outside of China with a total valuation of not less than CAD 20 million.

RFG also intends to distribute the Offshore Assets collected by dividend in species to RFG shareholders. RFG believes the distribution will be in the best interest of the existing shareholders of RFG.

The management expects a development in this matter in this year because of China gradually relieving COVID-19 local restrictive measures. The management also believes that, should the Offshore Assets be collected and distributed to RFG's shareholders, the outstanding audits could be resumed as this Assignment would effectively eliminate the unresolved audit matter in China.

Business Update

In business-wise, the Company business has been severely affected by the global economic uncertainty and poor investment sentiment due to the Fed's rapid rise in interest rates, geopolitical risk in Russia's war and escalating tension between China and the US. Nevertheless, our new CEO has already reached out to few potential SMEs clients in China to negotiate overseas financing and listing opportunities. He is confident on regaining the China corporate finance market which was the key profit contributor of the Group in the past.

Update on the Proposed Reorganisation and distribution of free shares of US Co to RFG's shareholders

Further to our News Release on October 15, 2022, the Company's director, Dr Charlie In, who is also the substantial shareholder of the Company, had completed (i) forming a corporation in the State of Wyoming of the United States ("**USCo**"), namely "Apex Financial Group Limited", and; (ii)

setting up a Singapore incorporated, 100% wholly owned subsidiary (“**SGCo**”) called “Apex Digital Pte Ltd”. The SGCo will engage in a new business segment mainly in fundraising advisory and arrangement services for our clients listing on the USA leading private equity portals like Dalmore, StartEngine, WeFunder and Dealmaker to raise funding under the SEC Reg A, CF and D regime, and further up-list our clients to major stock exchanges like Nasdaq or NYSE.

Dr Charlie In proposed to grant 50,150,000 shares at US\$0.0001 par value each, being the same amount of the total issued shares of RFG to RFG for free, and subsequently distribute such shares to the existing shareholders of RFG without payment of any consideration whatsoever by the RFG shareholders on a one (1) USCo shares for each share of RFG. Based on the latest discussions with our Canadian and United States legal advisors and are subject to all applicable regulatory approvals and the cooperation of all applicable securities depositories, the Company could distribute the free USCo shares to RFG shareholders by way of dividend distribution in species. The foregoing steps shall be approved and managed by the Board of Directors of RFG and no shareholder approval shall be required under applicable corporate laws. Dr Charlie In is working with legal counsels concerned to craft out the necessary legal and administrative procedures.

Our further plan is to bring USCo listing on a recognisable exchange in the US and may carry out a pre-listing financing, if necessary.

Effect

In effect, each RFG’s shareholder will simultaneously become a shareholder of USCo by holding the same number of shares and shareholding as in RFG, and enjoy the results of the new business segment through holding USCo’s shares. Upon the listing of USCo and the proper registration of the USCo shares with the SEC, RFG’s shareholders can trade their USCo shares freely in any way and manner as on CSE.

We will keep our shareholders posted should there be further updates.

We believe our approach as stated above is the best course of action to relieve the Company and shareholders of the impact and suffering this event has caused all of us.

We thank all stakeholders for your care and patience during this difficult time and we do whatever we can to seek relief that this event has caused us. We will keep all stakeholders duly updated.

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

On behalf of the RFG Board of Directors

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