

RAFFLES FINANCIAL GROUP SHAREHOLDERS UPDATE - 15 December 2023

Singapore. 15 December 2023. Raffles Financial Group Limited (CSE: RICH) ("RFG" or the "Company") This is to give shareholders an update on the status of the Company.

1. Update on the proposed Assignment of Solution As A Service ("SaaS") Agreement

Background

In light of the foreign exchange control in China which prohibits refund of the C\$20 million deposit being held by HuDuoBao Network Technology Co., Ltd. ("**HDB**") under the SaaS Agreement in China to the Company's overseas account, HDB had been exploring ways to assign the SaaS Agreement to an entity or financial institution which could facilitate refund of the deposit in China to RFG in the form of overseas assets including offshore cash, assets, financial instrument or their combination.

Assignment of SaaS Agreement

We are pleased to inform shareholders that HDB has identified an assignee and secured an assignment agreement with a party based in Hong Kong (the "**FI**") whereby FI shall take over all the rights and liabilities of the SaaS agreement. In particular, FI will arrange to refund RFG the C\$20 million deposit in the form of shares of companies ("**IPO shares**") that are listed or to be listed on any main stock exchanges in 2024.

The Company is to conduct the necessary due diligence work to ensure the condition precedents in accepting the refund are as follows:

- (i) the pre-IPO shares to be transferred to RFG shall be based on the first day public-listing price; OR
- (ii) the price of the listed shares shall be based on the closing price on the day the shares were transferred to RFG; AND
- (iii) the IPO Shares are free from any charges or liens.

Once the above conditions are met, RFG will treat these financial instruments as assets held for sale and all the sales proceeds are to be used for the business development of RFG.

2. Resumption of trading upon completion of audit

RFG has shortlisted an auditor to accept the audit engagement for the three outstanding audit reports for the financial years ended June 30th, 2021, 2022 and 2023. RFG is working closely with the shortlisted auditor on the audit procedures and requirements. Upon completion of the above-mentioned Assignment of SaaS Agreement, there is no need for a physical on-site audit by the auditors in China. RFG will seek to resume trading on the Canadian Securities Exchange upon completion of the audits.

3. RFG's US related company- Apex Financial Group Limited ("**Apex**")

In view of the above development and the filing and legal implications of distributing Apex shares to all RFG shareholders, the Company has decided to wait for the resumption of trading of RFG shares before deciding on the next course of action.

4. Strike Off Dormant Companies

Due to the Corvid pandemic, several of RFG subsidiaries were affected and became dormant during then. The Company has decided to strike-off or dispose of entities that are not operating and also to terminate all previously signed collaboration agreements subject to the counter-parties consent and the authorities approval. This is necessary to keep the Company lean and focused.

We will keep all stakeholders duly updated on the Company's developments.

We wish you a merry Christmas and happy new year!

About **Raffles Financial Group Limited** (CSE: RICH) Raffles Financial Group is listed on the Canadian Securities Exchange Purchasable under the stock symbol (RICH:CN).

On behalf of the RFG Board of Directors

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