

RAFFLES FINANCIAL SHAREHOLDERS UPDATE

Singapore, 9 June 2023. **Raffles Financial Group Limited** (CSE: RICH) ("RFG" or the "Company") This is to give shareholders an update on the corporate and audit 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 to be agreed by RFG.

Assignment of SaaS Agreement

We are pleased to inform shareholders that HDB has identified an assignee and secured an assignment agreement with a financial institution based in China (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 IPO shares of an overseas company ("**IPO shares**") that is to be listed on Nasdaq Capital Market in 2023. The Board is preliminarily satisfied with the equivalent value of those shares whereas the Board is now conducting a due diligence work to ensure the condition precedents in accepting the refund as follows are fulfilled;

- (i) the financial instrument to be transferred to RFG shall be accessible to us for due diligence, capitalization appraisal and evaluation to be performed by RFG or third-party professionals commissioned by RFG;
- (ii) the asset or financial instruments shall be free and clear of all security interests, pledges, mortgages, liens, charges, encumbrances, adverse claims, or restrictions of any kind.

Shall the above condition be confirmed to be fulfilled and the refund is approved by the Board, RFG will make arrangements for these IPO Shares to be charged and finally either be held for capital appreciation, be sold on the market, or be distributed to the shareholders for the benefit of RFG shareholders.

2. Resumption of trading

Meanwhile, we are still waiting for the shortlisted auditor to accept our audit engagements for the two outstanding audit reports for the financial year ended June 30th, 2021 and 2022. RFG is still in active communication with the shortlisted auditor to fulfil the client acceptance procedures as required by them. We expect the completion of the assignment of SaaS Agreement as mentioned above will simplify and expedite the necessary audit procedures for the outstanding audits as it would eliminate the need of a physical on-site audit by auditors in China. Thereafter, the Company will request for the resumption of trading of the company's shares. Once all the audit reports are completed, the Company will seek to resume trading on the Canadian Securities Exchange.

3. Business update on our USA related company - Apex Financial Group Limited ("**Apex**")

Apex is an investment holding company registered in Wyoming, United States in October 2022 with 50,150,000 shares of US\$0.0001 par value each issued. As explained in our News Release on March

10th, 2023, the intent is to distribute all Apex shares in specie to all RFG shareholders. Due to filing and legal encumbrances, there is a delay in distributing Apex shares to RFG shareholders. Our Canada and US legal counsels are working out the appropriate way to fulfil the registration requirement under SEC to allocate these Apex shares to RFG shareholders, *free of charge*.

Apex has a wholly-owned subsidiary incorporated in Singapore, Apex Digital Pte Ltd (“**AD**”), and is registered with the Monetary Authority of Singapore as an exempt corporate finance advisor specialising in advising Indo-Pacific companies on how to raise funds online and get listed on United States’ private equity platforms in compliance with the Regulations A, A+, CF, D and S.

AD is not a broker, introducer and agent of any exchanges, portals, security firms and does not receive any fees, incomes, commissions or payments from any of them. Apex bills clients for online fundraising advisory and arrangement services, investor relations communications planning and support, business and corporate governance consulting.

AD is the manager of **Apex Business Club** that provides members *assistance* in opening offshore banking accounts, *linking* their global debit/credit cards and e-wallets to their bank accounts, *online support* to apply for letters of credit and bank guarantees plus updates on listings and IPO matters.

Currently AD has 4 Advisory Clients seeking listing on the US private equity exchanges and upon successful listing and their fundraising exercises, AD will realise and book their advisory fee as earned income. On the corporate finance advisory level, AD has advisory assignments with the major shareholders of a Canadian bank, a leading USA online broker/dealer and Vancouver Richmond \$4 Billion Project developer.

"We are blessed with so many assignments we have on hand and believe going forward we will achieve breakthroughs we cannot imagine." Abigail Zhang, Executive Director of Apex Digital.

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

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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