

*Raffles Financial*

**FUNDING  
BUSINESS  
GROWTH**

2021 to 2025 Annual Reports and Accounts

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# STRATEGIC REPORT & GOVERNANCE

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# 1ST FINANCIAL SERVICES COMPANY FROM SINGAPORE LISTED ON CANADIAN SECURITIES EXCHANGE



Raffles Financial Group Limited ("RFG") is a premier diversified financial services provider committed to bridging Asia-Pacific enterprises with global capital markets. Established in 2018, the Group has rapidly positioned itself as a specialist in comprehensive public listing advisory and arrangement services. RFG was listed on the Canadian Securities Exchange and OTCQX in 2020, with legal headquarters in Canada and primary operations across ASEAN, China, Hong Kong, and Singapore. The company specializes in public listing advisory & acceleration service, corporate restructuring advisory, Mergers & Acquisitions facilitation as well as supply-chain fintech and trade finance revolving credit advisory and arrangement services.

# Chairman's Message

**"2026 marks the beginning of our new growth chapter."**

## Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report for Raffles Financial Group ("RFG" or the "Group") for the financial year ended June 30, 2025. This year has been a defining period of transformation and resilience as we navigated the complexities of the post-pandemic era and successfully cleared significant regulatory and operational hurdles.

## Overcoming Challenges and Restoring Foundation

The past few years presented unprecedented challenges, primarily due to COVID-19 lockdown restrictions in China that hindered the performance and logistics of our audit procedures. I am proud to report that through the unwavering dedication of our management and the support of our professional partners, we successfully completed all outstanding audits from FY2021 to FY2025 with unqualified opinions. This achievement is a critical milestone in our commitment to transparency and our efforts to relieve the Cease Trade Order (CTO) to resume trading on the CSE and re-list on the OTCQX.

## Strategic Portfolio Transformation

A cornerstone of our strategy this year was the execution of a major Asset Swap, exchanging previously held listed shares for physical Mesenchymal Stromal Cell (MSC) inventory. This move was twofold: it transforms our balance sheet to proactively avoid "investment company" classification under U.S. securities regulations, and it provides a clear pathway to liquidity. With the MSC inventory independently appraised at RMB 339 million (approximately SGD 62 million), we expect to realize significant trading profits through consignment sales in the first half of 2026.

## Driving Growth through FinTech Innovation

Our wholly-owned subsidiary, Raffles FinTech Limited ("RFT"), has resumed strong business momentum by securing four strategic contracts in high-growth sectors. We are now providing supply-chain fintech and IPO advisory services to industry leaders such as Regen Healthcare, CAPA Medical Facility, SAFA, and Silica Material Tech. These partnerships align with our mission to provide bespoke corporate finance solutions and serve as a "guarantor of last resort" for IPO-ready companies.

## Strategic Capital and Future Outlook

To further "beef up" our Trade Finance Revolving Credit (TFRC) guarantees, we are in advanced negotiations with a family fund for a phased capital injection designed to double the Group's total net assets. Should this deal complete, this can enhance our capacity to provide up to US\$500 million in TFRC guarantees, supporting the growth of our nurtured firms as they prepare for public listings. We are also committed to re-engaging our global investor base through extensive outreach in Toronto to showcase RFG as a high-dividend firm with a unique, tax-efficient revenue model.

## Board and Management Transitions

As we transition into this new chapter, I would like to take a moment to express our sincere appreciation to our former colleagues for their service. We extend our gratitude to Mr. David Wong, our former Director, who departed in July 2025, and Mr. Huang Chuan, our former CEO, who left the Group in March 2026. We thank them for their contributions during their respective tenures and wish them the very best in their future endeavors.

## A Note of Appreciation

Our progress would not have been possible without the steadfast trust of our shareholders, the strategic guidance of our Board, and the hard work of our employees. As we move forward, we do so with a strengthened balance sheet, a clear regulatory path, and a robust pipeline of high-margin opportunities.

We believe that from 2026 onwards, Raffles Financial Group will enter its best years yet.

## Dr. Charlie In

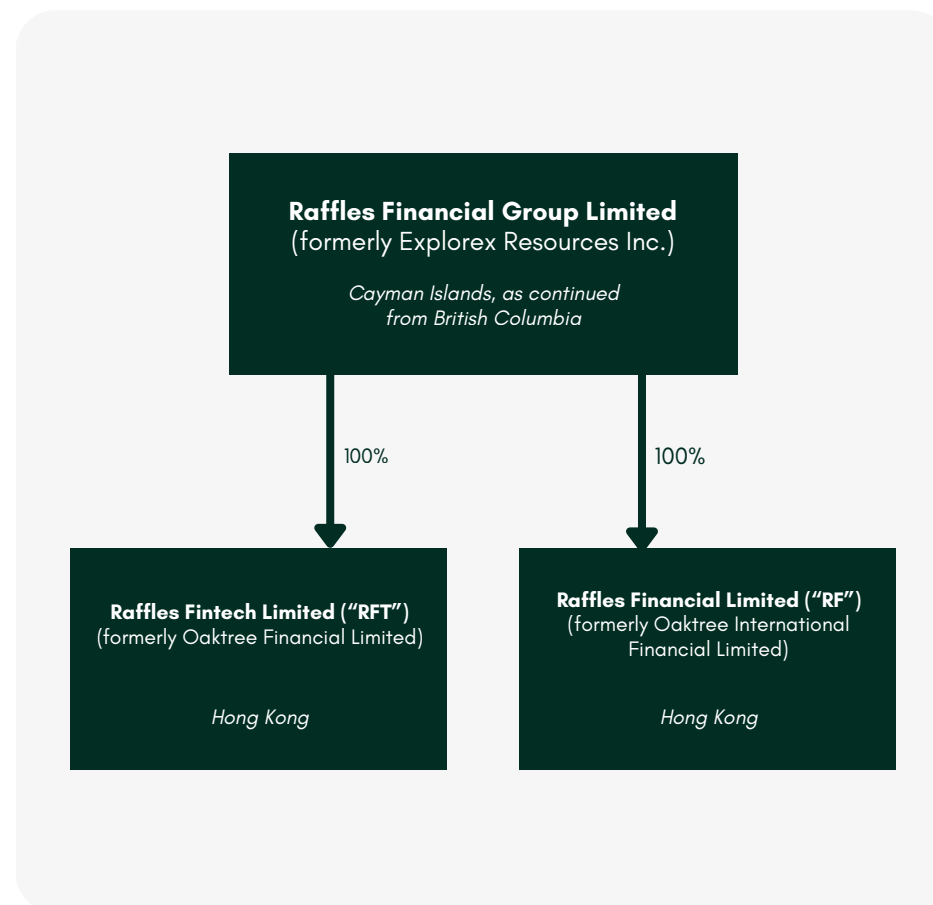
*Chairman of the Board  
1 April 2026*



# Corporate Information

<b>Corporate Name</b>	Raffles Financial Group Limited (Formerly known as Explorex Resources Inc)
<b>Jurisdiction of Incorporation</b>	Cayman Islands
<b>Board of Directors</b>	Charlie In (Non-Executive Director, Chairman of the Board of Directors) Abigail Zhang (Executive Director/Chief Executive Officer) Lily Ren (Independent Director) William Ying (Independent Director)
<b>Audit Committee</b>	Lily Ren (Independent Director) - Head of Audit Committee William Ying (Independent Director) - Member of Audit Committee Abigail Zhang (Executive Director/CEO) - Member of Audit Committee
<b>Corporate Secretary</b>	Monita Faris
<b>Registered Office</b>	PO Box 10008 Willow House, Cricket Square, Grand Cayman, KY1-1001
<b>Principal Place of Office</b>	Singapore 3 Fraser Street, #08-28, Singapore 189352  Hong Kong 8 Queen's Road East, Hong Kong  China 85 <sup>th</sup> Floor, PingAn International Finance Centre No 5033 Yitian Rd, Futian District, 518033 Shenzhen, China
<b>Share Registrar and Transfer Agent</b>	Olympia Trust Company (Canada) Suite 1900, 925 West Georgia Street, Vancouver, BC V6C 3L2, Canada
<b>Independent Auditors</b>	HML PLT (LLP0004524-LCA & 201504000748) CHARTERED ACCOUNTANTS AF 002152 1-23B Jalan Desa 1/3 Desa Aman Puri 52100 Kuala Lumpur, Malaysia
<b>Principle Bankers</b>	Bank of Montreal 595 Burrard Street Vancouver, B.C. V7X1L7 Canada

## Corporate Structure



# Directors and Officers

The following table sets out, for each of the directors and executive officers of the Company, the person's name, province or state and country of residence, position and, if a director, the date on which the person became a director. The term of each director will expire on the date of the next annual meeting of shareholders:

Name	Position	Services provided	Date of appointment
<b>Charlie (Nany Sing) In</b> <i>Singapore</i>	Non-Executive Chairman of the Board of Director	Non-Executive Directorship	01-Jul-24
<b>Abigail (Li Ying) Zhang</b> <i>Singapore</i>	Executive Director, Chief Executive Officer and Member of Audit Committee	Executive Directorship	28-Apr-20
<b>Dong Shim</b> <i>Vancouver, British Columbia, Canada</i>	Chief Financial Officer	Financial reporting services	28-Apr-20
<b>Lily (Haopu) Ren</b> <i>Vancouver, British Columbia, Canada</i>	Non-executive Director and Head of Audit Committee	Independent Directorship	28-Apr-20
<b>William (Wey Tsu) Ying</b> <i>Vancouver, British Columbia, Canada</i>	Non-executive Director and Member of Audit Committee	Independent Directorship	01-Jul-25

As of the date of this Annual Report, the Company's directors and executive officers, as a group, beneficially owned, directly or indirectly, or exercised control over 24,320,204 Common Shares, representing approximately 48.5% of the issued and outstanding Common Shares. The statement as to the number of Common Shares beneficially owned directly or indirectly, or over which control of direction is exercised by the director and executive officers of the Company as a group is based upon information furnished by the directors and executive officers.

None of the Company's directors or executive officers was a party to and had entered into a non-competition or non-disclosure agreement with Raffles.

- Non-Executive Chairman
- Executive Director
- Non-Executive Director
- Officer

The following is a summary biography of each of the directors and executive officers:



## Charlie In



Charlie In's experience covers sales, marketing, operations, finance, restructuring, M&A, capital sourcing, investments, divestment, IPOs and reverse takeovers. Mr. In's principal occupations during the past five years have been acting as Chairman of Raffles Capital Ltd. from December 2014.

Mr. In has more than 40 years of business experience and spent the last 20 years providing investment and private banking advisory services in China. He has invested and listed many PRC companies outside China. He was also Chairman of several associations, institutions and public-listed companies listed on the ASX and SGX. He was the Chairman of Direct Marketing Association of Singapore, as well as advisor to Asia Pacific Management Institute, Talent Advisory Panel of the People's Association of Singapore, AXA, BASF, Citibank, DBS, Hilton, IBM, Microsoft, Volvo, Sapphire Corporation, Sky China Petroleum and Ying Li Property. Mr. In was formerly the Chairman of the Board of Sino-Environment Technology Ltd. in 2011, Asia Fashion Holdings Ltd. in 2014 and Cedar Strategic Holdings Ltd. from April 2010 to June 2015, all of which are listed on the Singapore Stock Exchange. He was also formerly the Chairman of Raffles Capital Ltd. from December 2014 to March 2019 and Sino-Excel Energy Ltd. from April 2012 to September 2014, which are listed on the Australian Stock Exchange.

Mr. In was an adjunct faculty member of Singapore Institute of Management for 20 years and 17 years at University of South Australia. He has taught MBA classes at China's JiaoTong, RenMin, Beijing and Tsinghua universities.

Mr. In is the first Singaporean to be honored as the Most Respected Financial Writer of the Year Award at the 2010 Golden Mulberry Award (Business/Finance) and of The Big Ben Award, organized by the British Chinese Youth Federation. His book entitled "Family Financial Freedom" was published in Chinese by Tsinghua University Press in 2010. His latest Chinese book, "The A to Z of Achieving Abundance for Financial Freedom" hit China's top chart within months of release in September 2017. Charlie holds a marketing diploma from the UK Chartered Institute of Marketing, MBA from University of East Asia, Macau and post-graduate qualification from ADMA/Macquarie University of Australia.

Mr. In spends 50% of his available time on the affairs of Raffles. Mr. In is not a party to any written non-competition or confidentiality agreement with Raffles.



## Abigail Zhang

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Abigail Zhang's principal occupation within the past five years has been to serve as the director of Marvel Earn Ltd. since August 2008. The firm provides investments and advisory services to Chinese companies seeking overseas listing and fund raising. She has worked with companies in the bio-tech, energy, mining, property and service industries and her experience covers working closely with investment banks, auditors, lawyers, valuers and other professionals to prepare companies for IPO, RTO and M&A matters.

Ms. Zhang is dynamic and understands the complexities of capital markets and the type of solutions that Mid-Market companies need. She has expertise in strategic planning and corporate finance.

After graduating with a marketing diploma in 2003, Ms. Zhang started work for a Beijing bio-tech company as sales supervisor responsible for training and development. From 2005 to 2006, she was marketing manager for a Beijing pharmaceutical firm responsible for franchise development and investment. From 2007 to 2009, she worked for a Singapore-based investment firm to help analyze, audit, arrange and coordinate the firm's investment activities in China. In 2010, Ms. Zhang led an investment into an energy mining business in Yunnan and Qinhuangdao and listed the firm on the Australian Stock Exchange in April 2012. She served as their executive director until September 2014. Since March 2015, she has served as executive director (responsible for acquisitions & investments) of Raffles Capital Ltd., a diversified financial services company. In 2018, she secured the collaboration and white-labeling of Exante.eu, a platform with 88,000 investment instruments that provides a one-stop 24/7 investment portal offering of shares, debts, indices, futures, funds, unit-trusts, forex including crypto funds of leading exchanges to investors. Ms. Zhang is also director of Wealth Institute, which provides wealth management advisory, arrangement and A-investor services to PRC entrepreneurs.

She personally has invested and listed an energy mining business in Australia. She acquired an ASX listed-company and spin-off of its mining assets and transformed her into a diversified financial services firm.

Ms. Zhang spends 100% of her available time on the affairs of Raffles.



## Lily (Haopu) Ren

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Ms. Ren graduated with Bachelor of Science in Accounting and Finance from London School of Economics and Political Science and Master of Health Leadership and Policy (MHL) at the University of British Columbia. She has worked at major finance companies and banks listed in Singapore and Canada for more than 10 years. Ms. Ren holds her Registered Financial and Retirement Advisor (Part 1) (CIRP) designation and Mutual Fund License (IFSE Institute). Ms. Ren is familiar with the corporate governance, public disclosure, announcements and financial reporting in public companies. She has cross-disciplinary knowledge and skills in health care, financial institutions and sustainability.

Ms. Ren's principal occupation within the past five years has been to receive pre-doctoral and doctoral training at the University of British Columbia from 2020. Since 2020, Ms. Ren has served at RFG as Independent Director and heads the Audit Committee.

Ms. Ren spends 20% of her available time on the affairs of Raffles.



## William (Wey Tsu) Ying

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Mr. William Ying is appointed as the Independent Director of the Company and member of the Audit Committee, effective from July 1<sup>st</sup>, 2025.

Mr. Ying is An angel investor, venture capitalist and senior corporate executive with a proven record of achievement in Corporate Finance and Administration for high growth companies and capital markets; Leading and funding high growth start-ups, private and public companies, through RTO, IPO, M&A, and trading on the major North American stock exchanges. For over 25 years, Mr. Ying has provided growth investment opportunities to accredited investors globally (institutional, corporate and individual) as well as advised growth-oriented companies in capital raising, M & A, listing and other corporate finance activities. He served as a CEO of a CSE-listed company and currently takes a position on board of director of a publicly-listed fintech company. William holds a Master Degree of Business Administration from Ivey Business School at Western University, Ontario, Canada.

Mr. William Ying's principal occupation within the past five years has been to serve as the Mentor in business program at Simon Fraser University (SFU Beedie School of Business) as a mentor to share his business experience with future business leaders, as well as the member of Board of Directors of Hero Innovation Group and CEO of Benchmark Botanics Inc.

Mr. William Ying spends 20% of his available time on the affairs of Raffles.

## Dong Shim

Chief Financial Officer

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Mr. Dong H. Shim is a member of the Chartered Professional Accountants of British Columbia and a Certified Public Accountant registered in the State of Illinois, United States. Mr. Shim's principal occupation within the past five years is being a partner and founder of SHIM & Associates LLP (June 2013 to present) and Golden Tree Capital Corp. (November 2015 to present) providing accounting and other business advisory services to numerous companies in various industries.

Mr. Shim has served as an audit partner on numerous audit engagements with a mid-size firm located in Vancouver, British Columbia, where he audited various publicly traded companies, primarily focusing on junior mining, oil and gas, pharmaceutical, and high-tech industries. As an audit partner, Mr. Shim also assisted various start-up companies in achieving public listings on the TSX Venture Exchange, Canadian Securities Exchange and the OTC Market.

Mr. Shim spends not less than 10% of his available time on the affairs of Raffles.

## Monita Faris

Corporate Secretary

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Ms. Faris is the Corporate Secretary of Raffles. Her principal occupation within the past five years has been to work as a consultant providing corporate and securities compliance services to private and public companies. She has provided compliance services for the past 23 years.

Ms. Faris obtained her B.A. in English from the University of Central Florida. She actively attends securities programs and courses offered by the BCSC, the Continuing Legal Education Society of B.C. and the Toronto Stock Exchange.

Ms. Faris spends 10-15% of her available time on the affairs of Raffles.

# Financial Review

## HIGHLIGHTS

The consolidated financial results of Raffles Financial Group Limited ("RFG" or the "Company") for the most recent financial year ended June 30, 2025 ("FY2025"), highlighted by the total comprehensive income of \$10,138,194, compared with \$17,591,338 for the financial year ended June 30, 2024 ("FY2024"). For the financial years ended June 30, 2023 ("FY2023"), June 30, 2022 ("FY2022") and June 30, 2021 ("FY2021"), there were total comprehensive losses of \$757,005, \$8,707,657 and \$10,007,985 recorded respectively. All amounts expressed are in Singapore dollars.

## Selected Annual Financial Information

The followings are the selected key annual financial information for the financial year ended June 30, 2025 and its comparative financial years ended June 30, 2024, 2023, 2022, 2021 and 2020:

	June 30, 2025 (\$)	June 30, 2024 (\$)	June 30, 2023 (\$)	June 30, 2022 (\$)	June 30, 2021 (\$)	June 30, 2020 (\$)
Revenue	-	-	-	-	4,999,880	8,866,672
(Loss)/ Profit before other items and income tax expense	<b>(334,791)</b>	(550,666)	(514,043)	(1,460,345)	2,687,784	7,301,229
Net income/ (loss)	<b>95,938</b>	17,112,388	2,372,344	(3,959,018)	(4,255,859)	(425,229)
Total Comprehensive income/ (loss)	<b>10,138,194</b>	<b>17,591,338</b>	<b>(757,005)</b>	<b>(8,707,657)</b>	<b>(10,007,985)</b>	<b>4,494,115</b>
Basic and diluted earnings per share	<b>0.00</b>	0.34	0.05	(0.08)	(0.08)	(0.05)
Dividends declared to shareholders per share	-	-	-	-	-	-
Total assets	<b>47,286,352</b>	37,317,262	19,197,755	24,570,045	30,894,168	34,730,979
Total liabilities	<b>920,436</b>	1,089,540	561,371	3,068,675	3,056,746	2,245,032

## PROFIT AND LOSS PERFORMANCE

### Revenue

#### For the financial year ended June 30, 2025:

There was no revenue recorded for the years under review, which was attributable to the below factors:

- the cease trade order in place affected the confidence of the client.
- consumer and capital market sentiment remains weak in the post COVID era in Hong Kong and China where are our major target market, which is largely affected by the falling in price of all property segments.

#### For the financial year ended June 30, 2024:

There was no revenue recorded for the years under review, which was attributable to the below factors:

- the COVID-19 pandemic which caused travel restrictions and shutdowns that delayed and suspended the delivery of our advisory and licensing services, and created difficulties for the Company in serving clients in most of the major cities the Company was operating including, among others, China, Hong Kong and Singapore;
- the COVID-19 outbreak had resulted in a significant impact not only on the Company itself but also the Company's clients in PRC, as they had been hindered from performing their obligations under their service agreements due to the market recession and slow recovery after the COVID-19 outbreak;
- the cease trade order in place affected the confidence of the client.

#### For the financial year ended June 30, 2023:

There was no revenue recorded for the years under review, which was attributable to the below factors:

- the COVID-19 pandemic which caused travel restrictions and shutdowns that delayed and suspended the delivery of our advisory and licensing services, and created difficulties for the Company in serving clients in most of the major cities the Company was operating including, among others, China, Hong Kong and Singapore;
- the COVID-19 outbreak had resulted in a significant impact not only on the Company itself but also the Company's clients in PRC, as they had been hindered from performing their obligations under their service agreements due to the market recession and slow recovery after the COVID-19 outbreak;
- the cease trade order in place affected the confidence of the client.

#### For the financial year ended June 30, 2022:

The revenue decreased from S\$4,999,880 in FY2021 to Nil in FY2022, which was attributable to the below factors:

- the COVID-19 pandemic which caused travel restrictions and shutdowns that delayed and suspended the delivery of our advisory and licensing services, and created difficulties for the Company in serving clients in most of the major cities the Company was operating including, among others, China, Hong Kong and Singapore;
- the COVID-19 outbreak had resulted in a significant impact not only on the Company itself but also the Company's clients in PRC, as they had been hindered from performing their obligations under their service agreements due to the market recession and slow recovery after the COVID-19 outbreak;
- the cease trade order in place affected the confidence of the client.

#### For the financial year ended June 30, 2021:

The revenue decreased from S\$8,866,672 in FY2020 to S\$4,999,880 in FY2021, which was attributable to the below factors:

- the COVID-19 pandemic which caused travel restrictions and shutdowns that delayed and suspended the delivery of our advisory and licensing services, and created difficulties for the Company in serving clients in most of the major cities the Company was operating including, among others, China, Hong Kong and Singapore;
- suspension in Finliss licensing service with several PRC clients (the Regional Representative) in prior period FY2020 pursuant to force majeure clause in response to the COVID-19 outbreak in 2020. The Company had agreed with them to suspend the contracted licensing services since January 2020 to date. The COVID-19 outbreak had resulted in a significant impact not only on the Company itself but also the Company's clients in PRC, as they had been hindered from performing their obligations under their service agreements due to the market recession and slow recovery after the COVID-19 outbreak.

## Net Income/ (Loss), Other Income and Administrative Expenses

### For the financial year ended June 30, 2025:

In FY2025, the Company reported a net income of S\$95,938 (FY2024: net income of S\$17,112,388). The income and operating expenses incurred during the financial year are discussed below:

- Other income of S\$474,073 (FY2024: S\$8,079) represents the dividend income rendered from equity instruments at fair value through other comprehensive income ("FVOCI"). The investment pertains to 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.
- Borrowing cost of S\$15,751 (FY2024: S\$15,745) represents the interest expenses of short-term borrowings. The Borrowings was an unsecured, interest-bearing loan facility of up to C\$2,000,000, with each drawdown carrying a one-year maturity term and an interest rate of 8% per annum.
- Director fees of S\$227,856 (FY2024: S\$179,082) were paid to the directors of the Company for their directors' services. The increases in FY2025 compared to that in FY2024 were due to an appointment of non-executive chairman for the Company.
- Transfer agent and regulator fees of S\$34,195 (FY2024: S\$24,621) represented mainly the listing fee on Canadian Securities Exchange.
- An Audit fee of S\$32,847 (for current year) was incurred for the audit engagement entered into with the auditors for annual audits for the financial year ended June 30 2025. (FY2024: S\$198,260).

### For the financial year ended June 30, 2024:

In FY2024, the Company reported a net income of S\$17,112,388 (FY2023: S\$2,372,344). The income and operating expenses incurred during the financial year are discussed below:

- Gain arising from the derecognition of financial assets measured at amortised cost of S\$17,228,141 pertained to the transfer of deposit in terms of public listed shares. The fair value of the shares at the date of reclassification was S\$36,247,421, resulting in a gain of S\$ 17,228,141 recognised in profit or loss on the derecognition of the financial asset previously measured at amortised cost.
- Loss on disposal of subsidiary of S\$78,000 pertained to the net realised loss on deregistration of a wholly owned subsidiary - Asia Oaktree Financial Private Limited ("AOF"). The Company made a striking-off application for AOF to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") and it was approved on December 27, 2023 under Section 344A of the Companies Act. As a result, the Company was deregistered and struck off from the register of ACRA. There was a loss on deregistration of S\$78,000 recorded by the Company during the current financial year.

- Borrowing cost of S\$15,745 represents the interest expenses of short-term borrowings. The Borrowings was an unsecured, interest-bearing loan facility of up to C\$2,000,000, with each drawdown carrying a one-year maturity term and an interest rate of 8% per annum.
- Other income of S\$8,079 pertained to a reversal of overprovided expenses in previous financial years.
- Contract for service cost of S\$143,266 (FY2023: S\$157,515) was paid mainly to the directors and officers of the Company, in consideration of their services provided under service contracts, and director fees of S\$179,082 (FY2023: S\$214,008) was paid to the directors of the Company for their directors' services. The decreases in FY2024 compared to that in FY2023 were due to decrease in the number of officers, contractors, and the directors.
- Office expenses of S\$5,437 (FY2023: S\$68,851) were incurred in relation to the expenses necessary to maintain the office operation. The significant decrease in FY2024 compared to that in FY2023 was mainly due to the decrease in office activities such as business meetings, supplies and meals.
- Transfer agent and regulator fees of S\$24,621 (FY2023: S\$20,302) represented mainly the listing fee on Canadian Securities Exchange.
- Audit fees of S\$29,739 (for current year) and S\$168,521 (for prior years) were incurred for the audit engagement entered into with the auditors for annual audits for the financial year ended June 30 2021, 2022, 2023 and 2024. (FY2023: Nil).

### For the financial year ended June 30, 2023:

In FY2023, the Company reported a net income of S\$2,372,344 (FY2022: a net loss of S\$3,959,018). The income and operating expenses incurred during the financial year are discussed below:

- Gain on disposal of a subsidiary of S\$3,461,812 pertained to the net realised gain on disposal of 100% equity interest in a subsidiary - Raffles Financial Private Limited ("RFPL"). On June 30, 2023, the Company entered into a sales and purchase agreement with an independent third party to dispose of 100% equity interest in RFPL at a consideration of S\$100. There was a gain on disposal of S\$3,461,812 recorded by the Company during FY2023.
- Other income of S\$45,184 pertained to a refund of overprovided expenses in previous financial years.
- Contract for service cost of S\$157,515 (FY2022: S\$260,878) was paid mainly to the directors and officers of the Company, in consideration of their services provided under service contracts, and staff cost of Nil (FY2022: S\$286,612) was paid to the employees of the Company for their day-to-day management and administration for the Company. The decreases in FY2023 compared to that in FY2022 were due to decrease in the number of officers and contractors, and the closure of our physical office whereby all employees were laid off.

- Office expenses of S\$68,851 (FY2022: S\$114,592) were incurred in relation to the expenses necessary to maintain the office operation. The significant decrease in FY2023 compared to that in FY2022 was mainly due to the termination of the Director and Officer's insurance and decrease in office activities such as business meetings, supplies and meals.
- Professional fees of S\$21,469 (FY2022: S\$153,821) represented mainly the legal and other professional services fees. The significant decrease in FY2023 compared with that in FY2022 was due to the decline in the need of seeking legal and professional service in FY2023.
- Transfer agent and regulator fees of S\$20,302 (FY2022: S\$61,844) represented mainly the listing fee on Canadian Securities Exchange. The significant decrease in FY2023 compared with that in FY2022 was due to delisting from the OTCQX Markets in FY2023.
- Other expenses of S\$31,898 (FY2022: S\$31,588) consisted of government fee and miscellaneous expenses.

*For the financial year ended June 30, 2022:*

In FY2022, the Company reported a net loss of S\$3,959,018 (FY2021: S\$4,255,859). The income and operating expenses incurred during the financial year are discussed below:

- Gain on disposal of subsidiaries of S\$1,048,359 pertained to the net realised gain on disposal of interest in subsidiaries - Marvel Earn Limited, Raffles Financial AG, Raffles Financial Asset Management Private Limited ("RFAM"), Raffles Financial Limited, Raffles Financial Advisory Private Limited ("RFA") and Raffles Infrastructure Capital Limited. The net realised gain was largely contributable to the disposal of RFA of which a gain amounting to \$1,054,097 was recognised.
- Impairment loss on other receivables of S\$3,447,227 pertained to the impairment made for other receivables in relation to sales of equity securities to third parties due to the sign of recoverability issue including (i) long-aged, (ii) financial stress of a major debtor who were involved in various civil suits and claims; and (iii) disputes with a buyer as the equity securities sold to the buyer being suspended trading subsequently, resulting in significant drop in value.
- Other income of S\$27,905 pertained to reversal of fees and business relief grants provided by Singapore Business Federation and government subsidies granted under a job support scheme in response to the COVID-19 pandemic.
- Contract for service cost of S\$260,878 (FY2021: S\$617,269) was paid mainly to the directors and officers of the Company, in consideration of their services provided under service contracts, and staff cost of S\$286,612 (FY2021: S\$90,024) was paid to the employees of the Company for their day-to-day management and administration for the Company. The decrease in contract for service cost compared to FY2021 was due to a reduction in the number of officers and contractors in FY2022, while the increase in staff cost was attributable to the addition of employees under the asset management segment of the subsidiary, RFAM, in FY2022.
- Rentals on operating lease of S\$58,336 (FY2021: S\$83,766) were paid for the office leases in various operating locations. The decrease in FY2022 compared to FY2021 was due to a decrease in the number of offices worldwide.

- Office expenses of S\$114,592 (FY2021: S\$71,189) were incurred in relation to the expenses necessary to maintain the office operation. The significant increase compared to FY2021 was mainly due to the expenses incurred for exploring US business and increase in the insurance premium for director and officers' insurance under the cease trade order.
- Transfer agent and regulator fees of S\$61,844 (FY2021: S\$19,633) represented mainly the listing fee on Canadian Securities Exchange. The significant increase in FY2022 compared with FY2021 was due to the OTCQX Markets listing application fee incurred in FY2022.
- Business development and marketing expenses of S\$86,307 (FY2021: S\$35,773) related to business consultancy expenses and professional fees incurred in FY2022 for removal of cease trade order.
- Other expenses of S\$31,588 (FY2021: S\$172,535) comprised of government fee, other fees for the listing on OTCQX and miscellaneous.

*For the financial year ended June 30, 2021:*

In FY2021, the Company reported a net loss of S\$4,255,859 (FY2020: S\$425,229). The income and operating expenses incurred during the financial year are discussed below:

- Gain on redemption of a convertible loan of S\$390,000 (FY2020: Nil) pertained to the capital gain from redemption of the convertible loan with a fair value of S\$840,000 against the face value of the convertible loan at S\$450,000.
- Gain on disposal of subsidiaries of S\$250,002 pertained to the realised gain on disposal of 100% interest in a subsidiary - Changsheng Investment Development Limited to a third party at a cash consideration of S\$4,350,000 on 15 June 2021 and gain due to deconsolidation of Raffles Infrastructure Capital Limited.
- Impairment loss on other receivables of S\$7,053,792 pertained to the impairment made for other receivables in relation to sales of equity securities to third parties due to the sign of recoverability issue including (i) long-aged, (ii) financial stress of a major debtor who were involved in various civil suits and claims; and (iii) disputes with a buyer as the equity securities sold to the buyer being suspended trading subsequently, resulting in significant drop in value.
- Other income of S\$208,656 pertained to a dividend income of S\$186,555 generated from the Company's equity investments, with the remaining balance representing business relief grants provided by Singapore Business Federation and government subsidies granted under a job support scheme in response to the COVID-19 pandemic. In FY2020, the other income represents the government subsidies and income tax credit granted by the tax authority in Singapore.

- Contract for service cost of S\$617,269 (FY2020: S\$725,656) was paid mainly to the directors and officers of the Company, in consideration of their services provided under service contracts, and staff cost of S\$90,024 (FY2020: S\$51,596) was paid to the employees of the Company for their day-to-day management and administration for the Company. The decrease in FY2021 compared to that in FY2020 was due to decrease in the number of officers and staff in FY2021.
- Rentals on operating lease of S\$83,766 (FY2020: S\$100,571) were paid for the office leases in various operating locations. The decrease in FY2021 compared to that in FY2020 was due to the expiry of one of the leases and discontinuation of the Hong Kong physical office operation.
- Office expenses of S\$71,189 (FY2020: S\$20,534) were incurred in relation to the expenses necessary to maintain the office operation. The decrease in FY2021 compared to that in FY2020 was mainly due to the director and officers' insurance expenses.
- Transfer agent and regulator fees of S\$19,633 (FY2020: S\$1,609) represented the listing fee on Canadian Securities Exchange. The significant increase compared with FY2020 was due to full year's payment in FY2021.
- Travelling and accommodation expenses of S\$559 (FY2020: S\$19,134) were incurred in performing the advisory services by the directors and officers in local and overseas. The significant decrease compared to FY2020 was due to either travel restrictions or shutdowns imposed by various countries amid the COVID-19 pandemic.
- Share-based compensation of S\$765,499 (FY2020: S\$297,610) related to the vesting of 300,000 stock options exercisable at C\$5.00 per share and expiry date of May 11, 2025 during the period.
- Business development and marketing expenses of S\$35,773 (FY2020: S\$205,727) related to the expenses arising from client sourcing, marketing activities and internal business development upon listing on CSE. It dropped significantly in FY2021 due to the drop in these activities under COVID-19 pandemic.
- Other expenses of S\$172,535 consisted largely of a one-off referral fee paid to introducer for sales of equity investments.

## Other and Total Comprehensive Income/ (Loss)

### For the financial year ended June 30, 2025:

- In FY2025, the Company recorded an unrealised gain on financial assets at FVOCI of S\$10,896,434 (FY2024: S\$1,063,893). The unrealised gain was derived from the Company's investment in an equity designated at FVOCI. The investment pertains to 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.
- The investment in equity securities was categorised at FVOCI according to the International Financial Reporting Standards No. 9 as the equity investment was not held for trading purposes and on initial recognition of the investment the Company made an election to designate the investment at FVOCI (non-recycling), such that subsequent changes in fair value were recognised in other comprehensive income.
- The **total comprehensive income** for the year was S\$10,138,194 compared with S\$17,591,338 in FY2024. The decrease was attributable mainly to absence of the gain of S17,228,141 arising from the derecognition of financial assets measured at amortised costs in FY2024, offset by the unrealised gain on financial assets at fair value through other comprehensive income of S\$10,896,434 in FY2025.

### For the financial year ended June 30, 2024:

- In FY2024, the Company recorded an unrealised gain on financial assets at FVOCI of S\$1,063,893 (FY2023: an unrealised loss of S\$1,623,411). The unrealised loss was derived from the Company's investment in an equity designated at FVOCI. The investment pertains to 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange, pursuant to a deposit refund agreement as disclosed in the Liquidity and Capital Resources section of this MD&A.
- The investment in equity securities was categorised at FVOCI according to the International Financial Reporting Standards No. 9 as the equity investment was not held for trading purposes and on initial recognition of the investment the Company made an election to designate the investment at FVOCI (non-recycling), such that subsequent changes in fair value were recognised in other comprehensive income.
- The **total comprehensive income** for the year was S\$17,591,338 compared with the total comprehensive loss of S\$757,005 in FY2023, which was attributable mainly to the gain arising from the derecognition of financial assets measured at amortised costs.

For the financial year ended June 30, 2023:

- In FY2023, the Company recorded an unrealised loss on financial assets at fair value through other comprehensive income of S\$1,623,411 (FY2022: S\$4,639,464). The unrealised loss was derived from the Company's investment in a portfolio of equity securities quoted on Singapore Exchange. As the investment in equity securities was categorised at FVOCI according to the International Financial Reporting Standards No. 9 as the equity investment was not held for trading purposes and on initial recognition of the investment the Company made an election to designate the investment at FVOCI (non-recycling), such that subsequent changes in fair value were recognised in other comprehensive income.
- The **total comprehensive loss** for the year was S\$757,005 compared with S\$8,707,657 in FY2022, which was attributable mainly to the loss on foreign currency translation and unrealised loss on financial assets at fair value through other comprehensive income, which were offset by the gain on disposal of subsidiaries.

For the financial year ended June 30, 2022:

- In FY2022, the Company recorded an unrealised loss on financial assets at fair value through other comprehensive income of S\$4,639,464 (FY2021: S\$6,813,075). The unrealised loss was derived from the Company's investment in a portfolio of equity securities quoted on Singapore Exchange. As the investment in equity securities was categorised at FVOCI according to the International Financial Reporting Standards No. 9 as the equity investment was not held for trading purposes and on initial recognition of the investment the Company made an election to designate the investment at FVOCI (non-recycling), such that subsequent changes in fair value were recognised in other comprehensive income.
- The **total comprehensive loss** for the year was S\$8,707,657 compared with S\$10,007,985 in FY2021, which was attributable mainly to the impairment loss on other receivables and unrealised loss on financial assets at fair value through other comprehensive income.

For the financial year ended June 30, 2021:

- In FY2021, the Company recorded an unrealised loss on financial assets at fair value through other comprehensive income of S\$6,813,075 (FY2020: an unrealised gain of S\$4,748,139). The unrealised loss was derived from the Company's investment in a portfolio of equity securities quoted on Singapore Exchange. As the investment in equity securities was categorised at FVOCI according to the International Financial Reporting Standards No. 9 as the equity investment was not held for trading purposes and on initial recognition of the investment the Company made an election to designate the investment at FVOCI (non-recycling), such that subsequent changes in fair value were recognised in other comprehensive income.
- The **total comprehensive loss** for the year was S\$10,007,985 compared with the total comprehensive income of S\$4,494,115 in FY2020, which was attributable mainly to the impairment loss on other receivables and unrealised loss on financial assets at fair value through other comprehensive income.

**Related Party Transactions**For the financial year ended June 30, 2025:

The Company considers all directors and officers of the Company to be key management personnel, and related parties. During FY2025, the Company entered into the following transactions with the key management personnel as related party transactions:

- Paid or accrued director fees of S\$56,964 (FY2024: Nil) to In Nany Sing Charlie, a director of the Company under contract for services. As at June 30, 2025, other payables and accrued liabilities included S\$48,954 (as at June 30, 2024: S\$128,711) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$56,964 (FY2024: S\$59,694) to Zhang Liyang, a director of the Company under contract for services. As at June 30, 2025, other payables and accrued liabilities included S\$202,813 (as at June 30, 2024: S\$154,747) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$28,482 (FY2024: S\$29,847) to an independent director of the Company under contract for services. As at June 30, 2025, other payables and accrued liabilities included S\$70,387 (as at June 30, 2024: S\$44,609) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$28,482 (FY2024: S\$29,847) to an independent director of the Company under contract for services. As at June 30, 2025, other payables and accrued liabilities included S\$70,228 (as at June 30, 2024: S\$44,441) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued officer fees of S\$56,964 (FY2024: S\$59,694) to a Chief Executive Officer of the Company under contract for services. As at June 30, 2025, other payables and accrued liabilities included Nil (as at June 30, 2024: S\$89,217) due to this individual and investment in equity securities with the fair value of S\$47,283,937 was held by this individual in trust on behalf of the Company. These amounts were interest-free, non-secured and repayable on demand.

For the financial year ended June 30, 2024:

The Company considers all directors and officers of the Company to be key management personnel, and related parties. During FY2024, the Company entered into the following transactions with the key management personnel as related party transactions:

- Paid or accrued director fees of Nil (FY2023: S\$61,145) to In Nany Sing Charlie, a director of the Company under contract for services. As at June 30, 2024, other payable and accrued liabilities included S\$128,711 (as at June 30, 2023: S\$132,878 ) due to this individual. These amounts were interest-free, non-secured and repayable on demand.

- Paid or accrued director fees of S\$59,694 (FY2023 – S\$61,145) to Zhang Liying, a director of the Company under contract for services. As at June 30, 2024, other payable and accrued liabilities included S\$154,747 (as at June 30, 2023: S\$116,279) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$29,847 (FY2023: S\$30,573) to an independent director of the Company under contract for services. As at June 30, 2024, other payable and accrued liabilities included S\$44,609 (as at June 30, 2023: S\$15,351) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$29,847 (FY2023: S\$30,573) to an independent director of the Company under contract for services. As at June 30, 2024, other payable and accrued liabilities included S\$44,441 (as at June 30, 2023: S\$15,179) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued officer fees of S\$59,694 (FY2023: S\$30,573) to a Chief Executive Officer of the Company under contract for services. As at June 30, 2024, other payable and accrued liabilities included S\$89,217 (as at June 30, 2023: S\$30,702) due to this individual, and investment in equity securities with the fair value of S\$37,311,314 was held by this individual in trust on behalf of the Company. These amounts were interest-free, non-secured and repayable on demand.

For the financial year ended June 30, 2023:

The Company considers all directors and officers of the Company to be key management personnel, and related parties. During FY2023, the Company entered into the following transactions with the key management personnel as related party transactions:

- Paid or accrued contract for service cost of Nil (FY2022: S\$30,000) and director fees of S\$61,145 (FY2022: S\$64,462) to In Nany Sing Charlie, a director of the Company under contract for services. As at June 30, 2023, other payable and accrued liabilities included S\$132,878 (as at June 30, 2022: S\$771,274) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of Nil (FY2022: S\$31,200) and director fees of S\$61,145 (FY2022: S\$64,462) to Zhang Liying, a director of the Company under contract for services. As at June 30, 2023, other payable and accrued liabilities included S\$116,279 (as at June 30, 2022: S\$110,857) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of S\$3,057 (FY2022: S\$35,454) to the Chief Financial Officer of the Company under contract for services.
- Paid or accrued director fees of S\$30,573 (FY2022: S\$32,231) to an independent director of the Company under contract for services. As at June 30, 2023, other payable and accrued liabilities included S\$15,351 (as at June 30, 2022: S\$8,107) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$30,573 (FY2022: S\$24,173) to an independent director of the Company under contract for services. As at June 30, 2023, other payable and accrued liabilities included S\$15,179 (as at June 30, 2022: S\$8,107) due to this individual. These amounts were interest-free, non-secured and repayable on demand.

- Paid or accrued officer fees of S\$30,573 (FY2022: S\$32,231) to a Chief Executive Officer of the Company under contract for services. As at June 30, 2023, other payable and accrued liabilities included S\$30,702 (as at June 30, 2022: S\$ 32,429) due to this individual. These amounts were interest-free, non-secured and repayable on demand.

For the financial year ended June 30, 2022:

The Company considers all directors and officers of the Company to be key management personnel, and related parties. During FY2022, the Company entered into the following transactions with the key management personnel as related party transactions:

- Paid or accrued contract for service cost of S\$30,000 (FY2021: S\$105,000) and director fees of S\$64,462 (FY2021: S\$63,048) to In Nany Sing Charlie, a director of the Company under contract for services. As at June 30, 2022, other payable and accrued liabilities included S\$771,274 (June 30, 2021: S\$670,907) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of S\$31,200 (FY2021: S\$105,000) and director fees of S\$64,462 (FY2021: S\$63,048) to Zhang Liying, a director of the Company under contract for services. As at June 30, 2022, other payable and accrued liabilities included S\$110,857 (June 30, 2021: S\$76,490) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of Nil (FY2021: S\$105,000) and director fees of S\$3,293 (FY2021: S\$63,048) to Liu Changsheng, a director of the Company under contract for services. As at June 30, 2022, other payable and accrued liabilities included S\$63,307 (June 30, 2021: S\$76,490) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$8,058 (FY2021: S\$31,524) to the non-executive director of the Company under contract for services. As at June 30, 2022, other payable and accrued liabilities included Nil (June 30, 2021: S\$17,501) due to this individual. This amount was interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of S\$35,454 (FY2021: S\$37,829) to the Chief Financial Officer of the Company under contract for services.
- Paid or accrued rental expenses of Nil (FY2021: S\$16,810) to a company controlled by the executive director and Chairman of the Board of the Company.
- Paid or accrued director fees of Nil (FY2021: S\$20,655) to an independent director of the Company under contract for services.
- Paid or accrued director fees of S\$7,163 (FY2021: S\$31,524) to an independent director of the Company under contract for services.
- Paid or accrued director fees of S\$32,231 (FY2021: S\$31,524) to an independent director of the Company under contract for services. As at June 30, 2022, other payable and accrued liabilities included S\$8,107 (June 30, 2021: S\$16,274) due to this individual. These amounts were interest-free, non-secured and repayable on demand.

- Paid or accrued director fees of S\$24,173 (FY2021: Nil) to an independent director of the Company under contract for services. As at June 30, 2022, other payable and accrued liabilities included S\$8,107 (June 30, 2021: Nil) due to this individual. This amount was interest-free, non-secured and repayable on demand.
- Paid or accrued officer fees of S\$32,231 (FY2021: Nil) to a Chief Executive Officer of the Company under contract for services. As at June 30, 2022, other payable and accrued liabilities included S\$32,429 (June 30, 2021: Nil) due to this individual. This amount was interest-free, non-secured and repayable on demand.
- Share-based compensation of Nil (FY2021: S\$765,499) to certain management and directors of the Company related to 300,000 stock options granted with an exercise price of C\$5.00 per share and expiry term of 5 years.

For the financial year ended June 30, 2021:

The Company considers all directors and officers of the Company to be key management personnel, and related parties. During FY2021, the Company entered into the following transactions with the key management personnel as related party transactions:

- Paid or accrued contract for service cost of S\$105,000 (FY2020: S\$120,000) and director fees of S\$63,048 (FY2020: S\$10,262) to In Nany Sing Charlie, a director of the Company under contract for services. As at June 30, 2021, other payable and accrued liabilities included S\$670,907 (June 30, 2020: S\$47,306) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of S\$105,000 (FY2020: S\$120,000) and director fees of S\$63,048 (FY2020: S\$10,262) to Zhang Liying, a director of the Company under contract for services. As at June 30, 2021, other payable and accrued liabilities included S\$76,490 (June 30, 2020: S\$10,747) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of S\$105,000 (FY2020: S\$120,000) and director fees of S\$63,048 (FY2020: S\$10,262) to Liu Changsheng, a director of the Company under contract for services. As at June 30, 2021, other payable and accrued liabilities included S\$76,490 (June 30, 2020: S\$10,747) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of Nil (FY2020: S\$100,000) and director fees of S\$31,524 (FY2020: S\$5,131) to the Chief Financial Officer of RFPL under contract for services. As at June 30, 2021, other payable and accrued liabilities included S\$17,501 (June 30, 2020: S\$5,373) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Paid or accrued contract for service cost of S\$37,829 (FY2020: S\$5,864) to the Chief Financial Officer of the Company under contract for services.
- Paid or accrued rental expenses of S\$16,810 (FY2020: S\$81,130) to a company controlled by the executive director and Chairman of the Board of the Company.
- Paid or accrued director fees of S\$20,655 (FY2020: Nil) to an independent director of the Company under contract for services. As at June 30, 2021, other payable and accrued liabilities included Nil (June 30, 2020: S\$7,330) due to this individual. This amount was interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$31,524 (FY2020: Nil) to an independent director of the Company under contract for services. As at June 30, 2021, other payable and accrued liabilities included Nil (June 30, 2020: S\$5,131) due to this individual. This amount was interest-free, non-secured and repayable on demand.
- Paid or accrued director fees of S\$31,524 (FY2020: Nil) to an independent director of the Company under contract for services. As at June 30, 2021, other payable and accrued liabilities included S\$16,274 (June 30, 2020: S\$5,131) due to this individual. These amounts were interest-free, non-secured and repayable on demand.
- Share-based compensation of S\$765,499 (FY2020: S\$297,610) to certain management and directors of the Company related to 300,000 stock options granted with an exercise price of C\$5.00 per share and expiry term of 5 years.

## LIQUIDITY AND CAPITAL RESOURCES

	June 30, 2025 S(\$)	June 30, 2024 S(\$)	June 30, 2023 S(\$)	June 30, 2022 S(\$)	June 30, 2021 S(\$)	June 30, 2020 S(\$)
Bank balance	99	361	13,619	226,729	629,855	21,040,893
Current assets	<b>47,286,352</b>	37,317,262	19,197,755	24,570,045	30,894,168	34,730,979
Current liabilities	<b>920,436</b>	1,089,540	561,371	3,068,675	3,056,746	2,245,032
Non-current liabilities	-	-	-	2,107,981	2,107,981	1,258,001
Shareholders' equity	<b>46,365,916</b>	36,227,722	18,636,384	19,393,389	25,729,441	31,227,946

## Total Assets

The following is a breakdown of current assets of the Company as at the financial year ended June 30, 2025 and its comparative financial years ended June 30, 2024, 2023, 2022, 2021 and 2020:

	June 30, 2025 S(\$)	June 30, 2024 S(\$)	June 30, 2023 S(\$)	June 30, 2022 S(\$)	June 30, 2021 S(\$)	June 30, 2020 S(\$)
ASSETS – Current assets						
Bank balance	99	361	13,619	226,729	629,855	21,040,893
Trade receivables	-	-	-	-	-	650,000
Other receivables	94	99	78,102	21,761	1,226,881	-
Prepaid expenses and deposit	2,222	5,488	19,106,034	21,231,287	21,296,378	85,303
Investment in equity securities	<b>47,283,937</b>	37,311,314	-	3,090,268	7,741,054	12,954,783
<b>Total assets</b>	<b>47,286,352</b>	<b>37,317,262</b>	<b>19,197,755</b>	<b>24,570,045</b>	<b>30,894,168</b>	<b>34,730,979</b>

As at June 30, 2025:

The current assets of the Company as at June 30, 2025 consisted of Investment in equity securities of S\$47,283,937, prepaid expenses and deposit of S\$2,222, other receivables of S\$94, and a cash balance deposited in banks of S\$99.

*Movement in investment in equity securities*

- The investment in equity securities increased from S\$37,311,314 as at June 30, 2024 to S\$47,283,937 as at June 30, 2025.
- The increase is contributable to an unrealised gain on financial assets at fair value through other comprehensive income of S\$10,896,434 (FY2024: S\$1,063,893) recorded in FY2025. The unrealised gain was derived from the Company's investment in an equity designated at FVOCI. The investment pertains to 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.

*Movement in total assets*

- The Company recorded an increase in total assets from S\$37,317,262 as at June 30, 2024 to S\$47,286,352 as at June 30, 2025, mainly attributable to the increase in investment in equity securities by S\$9,969,090.

As at June 30, 2024:

The current assets of the Company as at June 30, 2024 consisted of Investment in equity securities of S\$37,311,314, prepaid expenses and deposit of S\$5,488, other receivables of S\$99, and a cash balance deposited in banks of S\$361.

*Movement in Prepaid expenses and deposit, and investment in equity securities*

- The prepaid expenses and deposit decrease from S\$19,106,034 as at June 30, 2023 to S\$5,488 as at June 30, 2024.
- As at June 30, 2023, the prepaid expenses and deposit consisted largely of a deposit for Right-to-Use Agreement with HuDuoBao Network Technology Co., Ltd ("HDB") amounting to S\$19,097,126. On May 20, 2021, the Company entered into the MOU to acquire 100% HDB. For consideration, the Company made the Deposit for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment.
- In December 2021, the Company entered into a cloud-based system right-to-use agreement ("SaaS Agreement") with HDB to license the Company and its agent(s) a right to use HDB's cloud-based emails, 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. Pursuant to the agreement, the Right-to-Use is on a period of 3 years for a monthly fee of RMB 2,500,000 which can be offset from the Deposit through the utilisation of the Right-to-Use service.

- However, the Right-to-Use service had not subsequently commenced due to a force majeure situation, where China's authorities accelerated efforts in mass locking down several major cities in China in light of the surging COVID-19 Omicron variant case that hindered HDB and the Company's management to perform the agreement in China. In June 2022, HDB and the Company mutually agreed to an assignment of the SaaS Agreement to a third party in China whereby HDB shall return the deposit in the amount of RMB 102,000,000 (equivalent to S\$19,019,280 as of June 30, 2024 (S\$19,097,126 as of June 30, 2023)) to the Company pursuant to the MOU. In light of the foreign exchange control in China which restricts refund of the Deposit being held by HDB 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. HDB had 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.
- On March 12, 2024, the Company entered into a deposit refund agreement ("Refund Agreement") whereby the equivalent amount of the Deposit was refunded in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange. On the same date, the Company entered into a nominee shareholding agreement with Chief Executive Officer ("CEO") of the Company, Mr. Huang Chuan, whereby the CEO is granted power of attorney to hold the share of Tencent Holdings Limited in trust in his overseas stock brokerage account on behalf of the Company. As a result of the Refund Agreement, the deposit was refunded during the year in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.

*Movement in other current assets items*

- The decrease in other receivables from S\$78,102 as at June 30, 2023 to S\$99 as at June 30, 2024 was due to the derecognition of the subsidiary - AOF's which held the other receivables of S\$78,000 as at June 30, 2023.

*Movement in total assets*

- The Company recorded an increase in total assets from S\$19,197,755 as at June 30, 2023 to S\$37,317,262 as at June 30, 2024, mainly attributable to (i) the increase in investment in equity securities by S\$37,311,314, partially offset by (ii) the decrease in prepaid expenses and deposit by S\$19,100,546.

As at June 30, 2023:

The current assets of the Company as at June 30, 2023 comprised of prepaid expenses and deposits of S\$19,106,034, other receivables of S\$78,102, and a cash balance deposited in banks of S\$13,619.

Movement in Prepaid expenses and deposit, and investment in equity securities

- As at June 30, 2023, the prepaid expenses and deposits comprised largely of a deposit for Right-to-Use Agreement with HDB amounting to S\$19,097,126 (S\$21,216,063 as of June 30, 2022). On May 20, 2021, the Company entered into the MOU to acquire 100% HDB. For consideration, the Company made the Deposit of RMB 102,000,000 for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment.
- In December 2021, the Company entered into the SaaS Agreement with HDB to license the Company and its agent(s) a right to use HDB's cloud-based emails, 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. Pursuant to the agreement, the Right-to-Use is on a period of 3 years for a monthly fee of RMB 2,500,000 which can be offset from the Deposit through the utilisation of the Right-to-Use service.
- However, the Right-to-Use service had not subsequently commenced due to a force majeure situation, where China's authorities accelerated efforts in mass locking down several major cities in China in light of the surging COVID-19 Omicron variant case that hindered HDB and the Company's management to perform the agreement in China. In June 2022, HDB and the Company mutually agreed to an assignment of the SaaS Agreement to a third party in China whereby HDB shall return the deposit in the amount of RMB 102,000,000 (equivalent to S\$19,097,126 as of June 30, 2023 (S\$21,216,063 as of June 30, 2022)) to the Company pursuant to the MOU.
- In light of the foreign exchange control in China which restricts refund of the Deposit being held by HDB 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. HDB had 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.
- The decrease in other receivables, prepaid expenses and deposit by S\$2,068,912 was due to the exchange difference arising from the translation of the deposit which was dominated in RMB.
- As at June 30, 2023, there was no balance in investment in equity securities (S\$3,090,268 as at June 30, 2022). As of June 30, 2022, the investment consisted of a portfolio of listed financial instruments mainly in public traded equity securities on Singapore Exchange. The decrease by S\$3,090,268 from June 30, 2022 was due to the disposal of the subsidiary RFPL during FY2023 which held the listed financial instrument.

Movement in total assets

- The Company recorded a decrease in total assets from S\$24,570,045 as at June 30, 2022 to S\$19,197,755 as at June 30, 2023, mainly attributable to (i) the decrease in investment in equity securities by S\$3,090,268, and (ii) the decrease in other receivables, prepaid expenses and deposit by S\$2,068,912.

As at June 30, 2022:

The current assets of the Company as at June 30, 2022 comprised of prepaid expenses and deposits of S\$21,231,287, other receivables of S\$21,761, investments in equity instruments of S\$3,090,268 and a cash balance deposited in banks of S\$226,729.

Movement in Prepaid expenses and deposit, and investment in equity securities

- As at June 30, 2022, the prepaid expenses and deposit comprised largely of a deposit for Right-to-Use Agreement with HDB amounting to S\$21,216,063 (S\$21,231,667 as of June 30, 2021). On May 20, 2021, the Company entered into the MOU to acquire 100% HDB. For consideration, the Company made the Deposit for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment.
- In December 2021, the Company entered into the SaaS Agreement with HDB to license the Company and its agent(s) a right to use HDB's cloud-based emails, 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. Pursuant to the agreement, the Right-to-Use is on a period of 3 years for a monthly fee of RMB 2,500,000 which can be offset from the Deposit through the utilisation of the Right-to-Use service.
- However, the Right-to-Use service had not subsequently commenced due to a force majeure situation, where China's authorities accelerated efforts in mass locking down several major cities in China in light of the surging COVID-19 Omicron variant case that hindered HDB and the Company's management to perform the agreement in China. In June 2022, HDB and the Company mutually agreed to an assignment of the SaaS Agreement to a third party in China whereby HDB shall return the deposit in the amount of RMB 102,000,000 (equivalent to S\$21,216,063 as of June 30, 2022 (S\$21,231,667 as of June 30, 2021)) to the Company pursuant to the MOU. In light of the foreign exchange control in China which restricts refund of the Deposit being held by HDB 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. HDB had 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.

- As at June 30, 2022, the investment in equity securities represented the major investments of the Company of approximately S\$3,090,268 of a portfolio of listed financial instruments. The investment portfolio mainly comprises public traded equity securities on Singapore Exchange. The intention of the Company to invest in these equity securities is to invest in firms that the Company had taken public through provision of advisory services, which was in line with the Company's treasury management policy and investment strategy. The decrease by S\$4,650,786 from June 30, 2021 was due to the disposal of listed financial instruments and decrease in fair value of the portfolio of the equity securities during FY2022.

#### Movement in total assets

- The Company recorded a decrease in the total assets from S\$30,894,168 as at June 30, 2021 to S\$24,570,045 as at June 30, 2022, mainly attributable to (i) the decrease in investment in equity securities by S\$4,650,786 compared with June 30, 2021, (ii) the decrease in other receivables by S\$1,205,120, and (iii) the decrease in cash balance by S\$403,126.

#### As at June 30, 2021:

The current assets of the Company as at June 30, 2021 comprised of prepaid expenses and deposits of S\$21,296,378, other receivables of S\$1,226,881, investments in equity instruments of S\$7,741,054 and a cash balance deposited in banks of S\$629,855.

#### Movement in Prepaid expenses and deposit, and investment in equity securities

- As at June 30, 2021, the prepaid expenses and deposit consisted largely of a deposit for Right-to-Use Agreement with HDB amounting to S\$21,231,667 (FY2020: Nil). On May 20, 2021, the Company entered into the MOU to acquire 100% HDB. For consideration, the Company made the "Deposit for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment.
- As at June 30, 2021, the investment in equity securities represented the major investments of the Company of approximately S\$7,741,054 of a portfolio of listed financial instruments. The investment portfolio mainly comprises public traded equity securities on Singapore Exchange. The intention of the Company to invest in these equity securities is to invest in firms that the Company had taken public through provision of advisory services, which was in line with the Company's treasury management policy and investment strategy. The decrease by S\$5,213,729 from June 30, 2020 was due to the disposal of listed financial instruments and decrease in fair value of the portfolio of the equity securities during FY2021.

#### Movement in total assets

- The Company recorded a decrease in the current assets from S\$34,730,979 as at June 30, 2020 to S\$30,894,168 as at June 30, 2021, attributable to the decrease in investment in equity securities by S\$5,213,729 compared with June 30, 2020. The decrease was partially offset by the increase in the trade and other receivables by S\$576,881.

## Total Liabilities

As at	June 30, 2025 S(\$)	June 30, 2024 S(\$)	June 30, 2023 S(\$)
<b>LIABILITIES - Current liabilities</b>			
Accrued liabilities and other payables	687,395	872,249	397,151
Borrowings	233,041	217,291	164,220
Current income tax liabilities	-	-	-
	<b>920,436</b>	1,089,540	561,371
<b>LIABILITIES - Non-current liabilities</b>			
Deferred income tax liabilities	-	-	-
<b>Total Liabilities</b>	<b>920,436</b>	<b>1,089,540</b>	<b>561,371</b>

As at	June 30, 2022 S(\$)	June 30, 2021 S(\$)	June 30, 2020 S(\$)
<b>LIABILITIES - Current liabilities</b>			
Accrued liabilities and other payables	959,385	1,073,376	215,952
Borrowings	-	-	-
Current income tax liabilities	2,109,290	1,983,370	2,029,080
	3,068,675	3,056,746	2,245,032
<b>LIABILITIES - Non-current liabilities</b>			
Deferred income tax liabilities	2,107,981	2,107,981	1,258,001
<b>Total Liabilities</b>	<b>5,176,656</b>	<b>5,164,727</b>	<b>3,503,033</b>

As at June 30, 2025:

The current liabilities of the Company as at June 30, 2025 consisted of accrued liabilities and other payables of S\$295,013, amount due to directors of S\$392,382 and borrowings of S\$233,041.

*Movement in accrued liabilities and other payables*

- The decrease in accrued liabilities and other payables to S\$295,013 as at June 30, 2025 from S\$853,196 as at June 30, 2024 was due mainly to a reclassification of accrued director's fee from other payables to amount due to directors upon approval of the accrued director's fees from the board of directors of the Company. The ending balance of the accrued liabilities and other payables represented the accrued expenses payable to various service providers.
- The increase in amount due to directors to S\$392,382 as at June 30, 2025 from S\$19,053 as at June 30, 2024 was due mainly to the aforesaid reclassification of accrued director's fees. In addition, there was a settlement of accrued director's fees and amount due to a director during the current financial year. On June 30, 2025, the Company entered into a Tripartite Settlement and Debt Offsetting Agreement (the "Offsetting Agreement") with two Directors of the Company, Dr. In Nany Sing Charlie and Mr. Huang Chuan. Pursuant to the Offsetting Agreement, the net amounts due to the Directors were offset against a dividend income of HK\$2,853,420 held in trust in the name of Mr. Huang Chuan on behalf of the Company.

*Movement in borrowings*

- The borrowings of the Company as at June 30, 2025 was S\$233,041 (S\$217,291 as at June 30, 2024). On January 1, 2023, the Company's wholly owned subsidiary, AOF entered into a convertible bond agreement with an independent third party (the "Lender"), pursuant to which the Lender agreed to provide AOF with an interest-bearing loan facility with an aggregate amount up to C\$2,000,000 under a one-year maturity term upon each drawdown. The interest rate is 8% per annum and the loan is non-secured.
- On December 1, 2023, AOF, the Lender, and the Company entered into an assignment agreement (the "Assignment"), pursuant to which all parties agreed to transfer all rights, obligations, and outstanding drawdowns under the original convertible bond agreement from AOF to the Company within 30 days from the signing date. As a result, the Company became the new borrower, assuming AOF's position under the loan agreement. As of the date of the Assignment, the principal amount of the loan drawn and transferred was S\$198,238.
- During the current financial year, the Company and the Lender agreed to extend the maturity of the loan to December 31, 2025. Subsequently, the maturity date of the loan has been further extended to June 30, 2026. The extended loan remains unsecured and carries an interest rate of 8% per annum. The increase in the borrowings from S\$217,291 as at June 30, 2024 to S\$233,041 as of June 30, 2025 was due to interest expenses incurred during FY2025.

- In accordance with the terms of the convertible bond agreement, the Lender has the right to convert all or part of the outstanding loan balance into new ordinary shares of the Company at an exercise price of C\$2.60 per share, at any time during the term of the loan. However, the total number of shares to be issued upon conversion shall not exceed 30% of the Company's enlarged share capital. The conversion right is subject to the approval of the Company's shareholders and the relevant Canadian regulatory authorities.
- As of June 30, 2025, the required approvals had not been obtained. Accordingly, no equity component has been recognised for the conversion feature of the loan as of that date.

*Movement in total liabilities*

- There were no non-current liabilities as at June 30, 2025.
- The Company recorded a decrease in the total liabilities from S\$1,089,540 as at June 30, 2024 to S\$920,436 as at June 30, 2025, attributable largely to the decrease in accrued liabilities and other payables.
- The Company did not have any commitments for material capital expenditures, and none are presently contemplated other than normal operating requirements and as disclosed above.

As at June 30, 2024:

The current liabilities of the Company as at June 30, 2024 consisted of accrued liabilities of S\$853,196, other payable of S\$19,053 which were amounts due to a director and borrowings of S\$217,291.

*Movement in accrued liabilities and other payables*

- The increase in accrued liabilities of S\$853,196 as at June 30, 2024 from S\$386,597 as at June 30, 2023 was due mainly to accrued audit fees, directors fees and financial consultant fee.

*Movement in borrowings*

- The borrowings of the Company as at June 30, 2024 was S\$217,291 (S\$164,220 as at June 30, 2023). On January 1, 2023, the Company's wholly owned subsidiary, AOF entered into a convertible bond agreement with the Lender, pursuant to which the Lender agreed to provide AOF with an interest-bearing loan facility with an aggregate amount up to C\$2,000,000 under a one-year maturity term upon each drawdown. The interest rate is 8% per annum and the loan is non-secured.
- On December 1, 2023, AOF, the Lender, and the Company entered into an assignment agreement (the "Assignment"), pursuant to which all parties agreed to transfer all rights, obligations, and outstanding drawdowns under the original convertible bond agreement from AOF to the Company within 30 days from the signing date. As a result, the Company became the new borrower, assuming AOF's position under the loan agreement. As of the date of the Assignment, the principal amount of the loan drawn and transferred was S\$198,238.

- During the current financial year, the Company and the Lender agreed to extend the maturity of the loan to June 30, 2025. The extended loan remains unsecured and carries an interest rate of 8% per annum.
- In accordance with the terms of the convertible bond agreement, the Lender has the right to convert all or part of the outstanding loan balance into new ordinary shares of the Company at an exercise price of C\$2.60 per share, at any time during the term of the loan. However, the total number of shares to be issued upon conversion shall not exceed 30% of the Company's enlarged share capital. The conversion right is subject to the approval of the Company's shareholders and the relevant Canadian regulatory authorities.
- As of June 30, 2024, the required approvals had not been obtained. Accordingly, no equity component has been recognised for the conversion feature of the loan as of that date.

#### *Movement in total liabilities*

- There were no non-current liabilities as at June 30, 2024.
- The Company recorded an increase in the total liabilities from S\$561,371 as at June 30, 2023 to S\$1,089,540 as at June 30, 2024, attributable largely to the increase in accrued liabilities.

#### As at June 30, 2023:

The current liabilities of the Company as at June 30, 2023 comprised of accrued liabilities of S\$386,597, borrowings of S\$164,220 and other payable of S\$10,554 which were amounts due to a director.

#### *Movement in borrowings*

- On January 1, 2023, the Company's wholly owned subsidiary, AOF, entered into a convertible bond agreement with the Lender. Under this agreement, the Lender agreed to provide AOF with an unsecured, interest-bearing loan facility of up to C\$2,000,000. Each drawdown under the facility carries an interest rate of 8% per annum and is subject to a one-year maturity term.
- Pursuant to the agreement, the Lender has the right to convert all or part of the outstanding loan balance into new ordinary shares of the Company at an exercise price of C\$2.60 per share, at any time during the term of the loan. The number of shares issuable upon conversion is limited to less than 30% of the Company's enlarged share capital. The conversion right is subject to the prior approval of the Company's shareholders and relevant Canadian regulatory authorities.
- As of June 30, 2023, the required approvals had not been obtained. Accordingly, no equity component has been recognised in relation to the conversion feature of the loan as of that date.

#### *Movement in total liabilities*

- There were no non-current liabilities as at June 30, 2023.
- The Company recorded a significant decrease in the total liabilities from S\$5,176,656 as at June 30, 2022 to S\$561,371 as at June 30, 2023, attributable to the decrease in accrued liabilities and income tax liabilities. The decrease in income tax liabilities from S\$2,109,290 (current portion) and S\$2,107,981 (non-current portion) as at June 30, 2022 to Nil as at June 30, 2023 was due to the disposal of the subsidiary RFPL during FY2023 which held those liabilities.

#### As at June 30, 2022:

The current liabilities of the Company as at June 30, 2022 consisted of accrued liabilities of S\$348,444, other payable of S\$610,941 which were amounts due to a director, and an income tax payable of S\$2,109,290. The non-current liabilities of the Company as at June 30, 2022 were S\$2,107,981, pertaining to a provision of deferred income tax liabilities in connection to unremitted foreign income.

#### *Movement in total liabilities*

- The Company recorded a slight increase in the total liabilities from S\$5,164,727 as at June 30, 2021 to S\$5,176,656 as at June 30, 2022, attributable to the increase in income tax liabilities. The increase in income tax liabilities from S\$1,983,370 as at June 30, 2021 to S\$2,109,290 as at June 30, 2022 was due to the additional provision of income tax liabilities arising from the receipt of foreign income during FY2022.

#### As at June 30, 2021:

The current liabilities of the Company as at June 30, 2021 comprised of accrued liabilities of S\$278,959, other payable of S\$794,417 which were amounts due to directors and amount due to a joint venture, and an income tax payable of S\$1,983,370. The non-current liabilities of the Company as at June 30, 2021 were S\$2,107,981, pertaining to a provision of deferred income tax liabilities in connection to unremitted foreign income.

#### *Movement in total liabilities*

- The Company recorded an increase in the total liabilities from S\$3,503,033 as at June 30, 2020 to S\$5,164,727 as at June 30, 2021, attributable to the increase in accrued liabilities and other payables, and deferred income tax liabilities. The increase in accrued liabilities and other payables from S\$215,952 as at June 30, 2020 to S\$1,073,376 as at June 30, 2021 was due to the payment of various operating expenses by the Directors on behalf of the Company and a fund advanced from a joint venture company during FY2021.

- During the current financial year, the Company and the Lender agreed to extend the maturity of the loan to June 30, 2025. The extended loan remains unsecured and carries an interest rate of 8% per annum.
- In accordance with the terms of the convertible bond agreement, the Lender has the right to convert all or part of the outstanding loan balance into new ordinary shares of the Company at an exercise price of C\$2.60 per share, at any time during the term of the loan. However, the total number of shares to be issued upon conversion shall not exceed 30% of the Company's enlarged share capital. The conversion right is subject to the approval of the Company's shareholders and the relevant Canadian regulatory authorities.
- As of June 30, 2024, the required approvals had not been obtained. Accordingly, no equity component has been recognised for the conversion feature of the loan as of that date.

#### *Movement in total liabilities*

- There were no non-current liabilities as at June 30, 2024.
- The Company recorded an increase in the total liabilities from S\$561,371 as at June 30, 2023 to S\$1,089,540 as at June 30, 2024, attributable largely to the increase in accrued liabilities.

#### As at June 30, 2023:

The current liabilities of the Company as at June 30, 2023 comprised of accrued liabilities of S\$386,597, borrowings of S\$164,220 and other payable of S\$10,554 which were amounts due to a director.

#### *Movement in borrowings*

- On January 1, 2023, the Company's wholly owned subsidiary, AOF, entered into a convertible bond agreement with the Lender. Under this agreement, the Lender agreed to provide AOF with an unsecured, interest-bearing loan facility of up to C\$2,000,000. Each drawdown under the facility carries an interest rate of 8% per annum and is subject to a one-year maturity term.
- Pursuant to the agreement, the Lender has the right to convert all or part of the outstanding loan balance into new ordinary shares of the Company at an exercise price of C\$2.60 per share, at any time during the term of the loan. The number of shares issuable upon conversion is limited to less than 30% of the Company's enlarged share capital. The conversion right is subject to the prior approval of the Company's shareholders and relevant Canadian regulatory authorities.
- As of June 30, 2023, the required approvals had not been obtained. Accordingly, no equity component has been recognised in relation to the conversion feature of the loan as of that date.

#### *Movement in total liabilities*

- There were no non-current liabilities as at June 30, 2023.
- The Company recorded a significant decrease in the total liabilities from S\$5,176,656 as at June 30, 2022 to S\$561,371 as at June 30, 2023, attributable to the decrease in accrued liabilities and income tax liabilities. The decrease in income tax liabilities from S\$2,109,290 (current portion) and S\$2,107,981 (non-current portion) as at June 30, 2022 to Nil as at June 30, 2023 was due to the disposal of the subsidiary RFPL during FY2023 which held those liabilities.

#### As at June 30, 2022:

The current liabilities of the Company as at June 30, 2022 consisted of accrued liabilities of S\$348,444, other payable of S\$610,941 which were amounts due to a director, and an income tax payable of S\$2,109,290. The non-current liabilities of the Company as at June 30, 2022 were S\$2,107,981, pertaining to a provision of deferred income tax liabilities in connection to unremitted foreign income.

#### *Movement in total liabilities*

- The Company recorded a slight increase in the total liabilities from S\$5,164,727 as at June 30, 2021 to S\$5,176,656 as at June 30, 2022, attributable to the increase in income tax liabilities. The increase in income tax liabilities from S\$1,983,370 as at June 30, 2021 to S\$2,109,290 as at June 30, 2022 was due to the additional provision of income tax liabilities arising from the receipt of foreign income during FY2022.

#### As at June 30, 2021:

The current liabilities of the Company as at June 30, 2021 comprised of accrued liabilities of S\$278,959, other payable of S\$794,417 which were amounts due to directors and amount due to a joint venture, and an income tax payable of S\$1,983,370. The non-current liabilities of the Company as at June 30, 2021 were S\$2,107,981, pertaining to a provision of deferred income tax liabilities in connection to unremitted foreign income.

#### *Movement in total liabilities*

- The Company recorded an increase in the total liabilities from S\$3,503,033 as at June 30, 2020 to S\$5,164,727 as at June 30, 2021, attributable to the increase in accrued liabilities and other payables, and deferred income tax liabilities. The increase in accrued liabilities and other payables from S\$215,952 as at June 30, 2020 to S\$1,073,376 as at June 30, 2021 was due to the payment of various operating expenses by the Directors on behalf of the Company and a fund advanced from a joint venture company during FY2021.

## Working Capital Movement

The Company generally financed its working capital requirements through a combination of cash generated from its operating activities and advance from directors to fund its staff cost, operating expenses and administrative costs. Moving forward, the Company expects to fund its working capital requirements with a combination of various sources, including but not limited to cash generated from its operations and the net proceeds from share offer exercise, as well as other possible equity financings as and when appropriate.

	June 30, 2025 S(\$)	June 30, 2024 S(\$)	June 30, 2023 S(\$)	June 30, 2022 S(\$)	June 30, 2021 S(\$)	June 30, 2020 S(\$)
Net cash (used in)/ generated from operating activities	(468,896)	534,361	1,131,875	(325,190)	(16,344,588)	7,044,654
Net cash generated from/ (used in) investing activities	(474,073)	-	212	37,779	(263,520)	(8,904,815)
Net cash generated from/ (used in) financing activities	-	37,326	160,912	-	(4,836,483)	20,296,000
Effect of foreign exchange on cash	(5,439)	(584,945)	(1,506,109)	(115,715)	1,033,553	502,320
Net (decrease)/ increase in cash and bank balance	<b>(262)</b>	<b>(13,258)</b>	<b>(213,110)</b>	<b>(403,126)</b>	<b>(20,411,038)</b>	18,938,159

### *For the financial year ended June 30, 2025:*

- The Company recorded operating cash outflow before working capital changes of S\$468,896 from operating activities. The changes in working capital consist of a decrease in other receivables, prepaid expenses and deposits of S\$3,271, and a decrease in other payable and accrued liabilities of S\$137,376.
- The Company recorded a net cash inflow of S\$474,073 from investing activity. It pertains to the dividend income rendered from equity instruments at FVOCI.

### *For the financial year ended June 30, 2024:*

- The Company recorded operating cash outflow before working capital changes of S\$542,587 from operating activities. The changes in working capital consist of a decrease in other receivables, prepaid expenses and deposits of S\$610,965, and an increase in other payable and accrued liabilities of S\$465,983.
- The Company recorded financing cash inflow of S\$37,326 from financing activities in FY2024, which was mainly attributable to the proceeds received from borrowings during FY2024.

For the financial year ended June 30, 2023:

- The Company recorded operating cash outflow before working capital changes of S\$468,859 from operating activities. The changes in working capital consist of a decrease in other receivables, prepaid expenses and deposits of S\$8,711,595, a decrease in other payable and accrued liabilities of S\$7,098,861, and the tax paid of S\$12,000.
- The Company recorded investing cash inflow of S\$212 from investing activities in FY2023, which was mainly attributable to the cash inflow from acquisition of subsidiaries, proceeds received from disposal of subsidiaries and investment in subsidiaries during FY2023.
- The Company recorded financing cash inflow of S\$160,912 from financing activities in FY2023, which was mainly attributable to the proceeds received from borrowings during FY2023.

For the financial year ended June 30, 2022:

- The Company recorded operating cash outflow before working capital changes of S\$1,444,349 from operating activities. The changes in working capital comprise of a decrease in trade, other receivables, prepaid expenses and deposits of S\$8,010,657, a decrease in other payable and accrued liabilities of S\$6,836,498, and the tax paid of S\$55,000.
- The Company recorded investing cash inflow of S\$37,779 from investing activities in FY2022, which was mainly attributable to the disposal of equity investment measured at FVOCI during FY2022.

For the financial year ended June 30, 2021:

- The Company generated operating cash flow before working capital changes of S\$3,577,880 from operating activities. The changes in working capital comprise of an increase in trade, other receivables, prepaid expenses and deposits of S\$18,124,625, a decrease in other payable and accrued liabilities of S\$1,752,133, and the tax paid of S\$45,710.
- The Company recorded cash outflow of S\$263,520 from investing activities in FY2021, which was mainly attributable to the redemption of convertible loan with a third party of S\$450,000 and a dividend received of S\$186,555 during FY2021.
- The Company recorded financing cash outflow of S\$4,836,483 from investing activities in FY2021, which was mainly attributable to a dividend paid of S\$4,969,633.

# Industry Outlook & Future Plan

## 1. Market Overview: A Resilient Asia-Pacific Region

The Asia-Pacific (APAC) financial services landscape enters 2026 as a global powerhouse of capital market activity. Despite global macroeconomic volatility, Singapore and Hong Kong have solidified their status as primary gateways for regional enterprises seeking global liquidity.

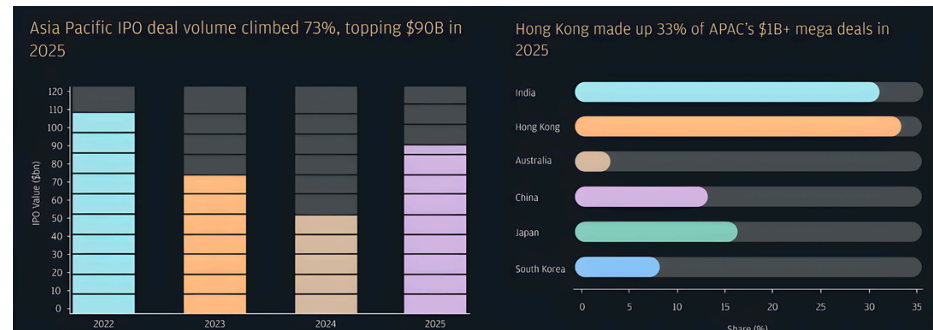
- **Growth Momentum:** Regional GDP growth for the ASEAN+3 area is projected at 4.1% in 2025 and 5.8% in 2026, driven by strong export performance and sustained foreign direct investment (FDI).
- **Sector Convergence:** A "super-cycle" in Artificial Intelligence (AI) and a global shift toward Sustainability are redefining sector boundaries, creating a high-demand environment for specialized financial advisory services.

## 2. Market Opportunities

### A. IPO and Fundraising Market

The IPO market in APAC is experiencing a significant "comeback" after years of recalibration.

- **Hong Kong's Resurgence:** In 2025, Hong Kong reclaimed its position as a global leader in capital raised, with deal volumes tripling year-on-year.
- **SME and Growth Focus:** Reform in the Hong Kong GEM board and similar initiatives in Singapore have created streamlined paths for small-to-medium enterprises (SMEs) and R&D-heavy firms to access public markets.
- **Digital & New Economy:** Strong investor appetite remains for fintech, consumer tech, and semiconductors, aligning perfectly with RFG's industry focus.



Source: Dealogic

### B. Mergers & Acquisitions (M&A)

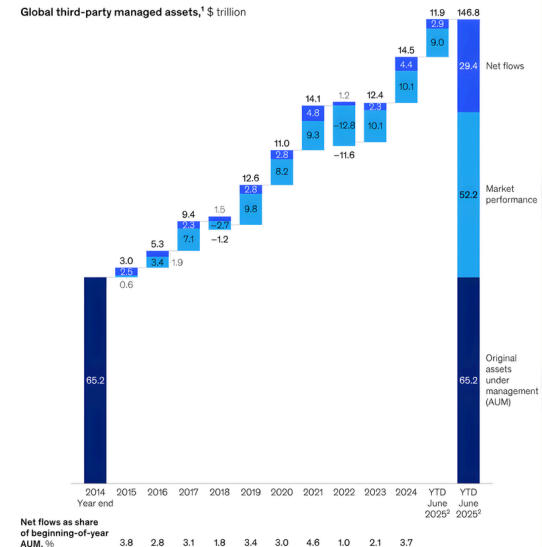
The M&A landscape is shifting from "mega-deals" to high-volume strategic domestic and outbound transactions.

- **Strategic Consolidation:** China's M&A transaction value surged 45% in early 2025, led by domestic strategic deals and a rebound in valuations.
- **Supply Chain Resilience:** Heightened trade tensions are driving a wave of outbound M&A into Southeast Asia, as firms seek to restructure supply chains and build regional resilience.
- **Private Equity Exits:** A massive backlog of PE-backed companies is awaiting exit, creating a robust pipeline for M&A advisory and reverse takeover (RTO) mandates.

### C. Asset Management Advisory

Global Assets under Management (AUM) reached a record US\$147 trillion by mid-2025, with APAC leading the charge in growth.

Global assets under management reached an all-time high of \$135 trillion in 2024 and are on track to break the record in 2025.



Note: Figures may not sum, because of rounding.  
\*Includes 45 countries from Asia-Pacific, Europe, Latin America, North America, the Middle East, and Africa.  
\*Year to date June 2025 estimate based on mutual fund and exchange-traded fund data from Morningstar.  
Source: Morningstar, McKinsey Performance Lums Global Growth Guide

- **Family Office Boom:** The Asia-Pacific region is seeing a rapid emergence of new family offices, with 77% expecting AUM growth.
- **Alternative Assets:** There is a pronounced shift toward Private Equity, Real Estate, and Digital Assets, which are expected to outperform cash in 2025 and 2026.
- **Digital Wealth Transformation:** Investors are increasingly seeking AI-integrated platforms and structured products that offer both upside potential and downside protection.

## D. Sustainability & ESG Consulting

Sustainability is no longer peripheral; it is the "language of accountability" for modern business.

- **Market Expansion:** The global ESG advisory market is projected to grow at a CAGR of 25% through 2032, driven by mandatory reporting standards and investor pressure.
- **APAC Leadership:** While Europe currently leads in revenue, the Asia-Pacific region is set for the fastest growth (16.92% CAGR) as firms align with the United Nations 17 SDGs.

## 3. Industry Analysis & Market Outlook

The financial services landscape in 2026 is characterized by a "rebound and recalibration" phase, presenting significant opportunities for RFG's specialized service offerings:

- **Resurgence in APAC Capital Markets:** Hong Kong and Singapore continue to reinforce their roles as premier global financial centers. Hong Kong, in particular, has seen a major surge in IPO fundraising, accounting for 68% of total APAC IPO value in early 2026. This provides a fertile environment for our public listing and M&A advisory services.
- **The Sustainability Super-Cycle:** Global demand for ESG-compliant investments and the UN17 Sustainable Development Goals (SDGs) is driving a multi-trillion dollar shift in capital allocation. Our Sustainability Strategy Development arm is uniquely positioned to help APAC firms navigate this transition and access "green" capital.
- **Digital Asset Evolution:** Regulatory clarity in hubs like Hong Kong—exemplified by the launch of Virtual Asset ETFs — has matured the digital asset sector. RFG's expertise in blockchain and fintech allows us to lead mandates in this high-growth vertical.
- **Supply Chain Resilience:** Persistent global volatility has heightened the need for sophisticated Supply Chain Finance. Mid-sized companies are increasingly seeking non-traditional funding structures to manage cash flow and inventory risks, a core competency of our reorganized fintech initiatives.

## 4. RFG's Strategic Positioning

Following the successful completion of our FY2025 audit and a return to positive comprehensive income, RFG is leveraging its strong current asset base (exceeding S\$47 million) to scale operations in these target mid-market spaces. Our ability to bridge the gap between Asian innovation and North American capital markets (via the CSE) remains a key competitive advantage in a diversifying global economy.

Research from leading global consultancies confirms that the mid-market — typically defined by deals valued under US\$1 billion — consistently represents the overwhelming majority of global merger and acquisition (M&A) activity by volume. While "megadeals" (>\$5 billion) often dominate financial headlines due to their sheer value, they represent a tiny fraction of total transactions. The mid-market remains the "heart" of the M&A ecosystem, providing a stable and high-volume pipeline for specialized advisory firms like RFG.

### Key Research Findings:

- **Bain & Company (2024):** Mid-market dominance is nearly absolute, with deals valued at less than \$1 billion accounting for 95% of all M&A activity globally in 2024.
- **PwC (2025/2026):** In the Asia-Pacific region specifically, there is a noted resurgence in domestic strategic deals. In 2025, China's M&A market saw deal volumes surpass 12,000 transactions, driven largely by mid-market restructuring and consolidation rather than mega-mergers.
- **Deloitte (2025/2026):** Their analysis indicates that while 20 very large transactions drove one-third of total US deal value in 2025, the remaining two-thirds of value and nearly the entire volume of activity were powered by smaller and mid-market deals.
- **WTW (Willis Towers Watson):** Mid-market M&A is projected to lead deal flow through 2026, as corporations and private equity firms focus on "bite-sized" acquisitions to accelerate digital transformation and ESG alignment.

By targeting the mid-market — specifically firms with post-IPO market caps of US\$150 million to US\$300 million — RFG is positioning itself in the most active segment of the global economy. This "missing middle" lacks the in-house resources of larger conglomerates but provides a higher volume of mandates than the crowded top-tier banking space.

We are confident that RFG has correctly segmented and positioned to this Asia-Pacific Mid-Market - we know what is the trend in this industry, where is the market gap other competitors might have missed, who are our customers, what they see, where should we fit into and what is the market happening that would impact our customers and our strategies to serve our customers.

# Geopolitical Outlook and Strategic Resilience

In an era defined by shifting global alliances and regional political fluctuations, RFG has developed a resilient operational model designed to navigate and capitalize on these complexities.

## 1. Market Volatility vs. Advisory Demand

While ongoing geopolitical tensions can create windows of volatility in global equity markets, they simultaneously drive demand for high-level Corporate Restructuring. As valuations fluctuate, mid-market firms require the sophisticated guidance RFG provides to maintain investor confidence and optimize market capitalization. Our focus on the US\$150M-\$300M market segment offers a "sweet spot" of stability, as these companies are often more agile than massive conglomerates when pivoting in response to political shifts.

## 2. The "Flight to Quality" in Singapore and Hong Kong

Despite regional uncertainties particularly in the Middle East, Singapore and Hong Kong remain the preeminent safe harbors for capital in Asia.

- **Asset Management:** Political unrest in other jurisdictions often triggers a "flight to quality," leading to an influx of Family Offices and private wealth into our core operating hubs.
- **Strategic Advantage:** RFG's dual-headquarter presence allows us to serve as a stable bridge for clients seeking to re-domicile assets or seek listing status in transparent, rule-of-law jurisdictions.

## 3. Supply Chain Reconfiguration

Geopolitical friction has forced a global "de-risking" of supply chains. This shift has created a surge in demand for our Supply Chain Finance Consultation. As companies move production or sourcing to Southeast Asia (the "China + 1" strategy), they face liquidity gaps and complex cross-border funding requirements. RFG is uniquely positioned to structure the cash-flow positive strategies needed to support these regional transitions.

## 4. Energy Security and Sustainability

Political unrest often impacts global energy costs, accelerating the transition toward Renewable Energy and Green Economy initiatives. Our Sustainability Strategy Development arm directly addresses this by helping clients align with UN17 SDGs, securing "green" capital that is often insulated from traditional geopolitical market shocks.

## 5. Financial Fortitude (FY2025/2026 Resilience)

RFG enters 2026 with a strengthened balance sheet, reporting a Total Comprehensive Income of S\$10.14 million for the 2025 fiscal year. With a robust net current asset position exceeding S\$47 million, the Group possesses the necessary liquidity to buffer against short-term macroeconomic shocks and execute "time-critical" investments when competitors may be forced to retreat.

**“RFG has developed a resilient operational model designed to navigate and capitalize on these complexities”**

# Future Plan

Raffles anticipates that the below stated plans and strategic actions will result in various business areas seeing growth.

## Expansion in Supply-Chain Fintech and revolving credit advisory and arrangement services

RFG's wholly-owned subsidiary, Raffles FinTech Limited ("RFT"), has secured four strategic contracts to provide supply-chain fintech and revolving credit advisory and arrangement services, along with Initial Public Offering (IPO) advisory, to four prominent companies: Regen Healthcare, CAPA Medical Facility, SAFA (Sustainable Aviation Fuel Asia), and Silica Material Tech. The contracts mark a significant resumption of business for RFT, which will be advising and arranging trade-finance revolving credits and IPOs for each client within the next 24 months.

## Strategic Clients and Their Industry Leadership

The four clients represent high-growth sectors and are recognized for their leadership and innovation in their respective spaces:

### 1. Regen Healthcare Group Pte Ltd

- **Healthcare Leadership:** Regen Healthcare is recognized as a fast-growing provider of high-quality, cost-effective medical services and healthcare solutions in ASEAN and China. The company focuses on leveraging efficiency in its supply chain, including procurement-to-payment funding and record-keeping, to support its mission of advancing health.
- **Service Mandate:** Supply-chain finance technology advisory, revolving credit arrangement, and IPO advisory.

### 2. CAPA Medical Facility Pte Ltd

- **Medical Facility Leadership:** CAPA Medical Facility is a Singapore-headquartered company dedicated to providing specialized medical and surgical facility services. The firm is currently undergoing strategic corporate restructuring and expansion planning to scale its operations in ASEAN and China.
- **Service Mandate:** Restructuring & Corporate Finance Advisory, IPO & Global Fund Raising Advisory, and Trade Finance Facilities Advisory services.

### 3. SAFA (Sustainable Aviation Fuel Asia) Ltd

- **BioFuel Leadership:** SAFA is pioneering the establishment of Asia's largest standardized, asset-light network for the collection and pre-treatment of Used Cooking Oil (UCO), a critical feedstock for the global Sustainable Aviation Fuel (SAF) and Biodiesel industries. SAFA's control over this secure, compliant supply chain places it at the forefront of the green energy transition, aiming to meet the expected US\$25 billion SAF market by 2030.
- **Service Mandate:** Exclusive supply-chain finance technology advisor, arrangement of a trade finance revolving credit facility, and leading the planned IPO.

### 4. Silica Material Tech Pte Ltd

- **Silica Leadership:** Silica Material Tech is a high-tech enterprise serving the demands of the tech titans, specializing in the production of ultra-high-purity silicon sand, a critical material for the advanced semiconductor and new energy industries. The company holds 14 core patents for its proprietary, environmentally friendly physical purification process that refines silicon sands to 99.99% purity for advanced semiconductor use.
- **Service Mandate:** Supply-chain finance technology advisor and arranger for a trade finance revolving credit facility, and advising on the planned IPO.

**“RFT has secured 4 strategic contracts to provide supply-chain fintech and revolving credit advisory, arrangement services along with Initial Public Offering advisory”**

## Strengthening our market liquidity and shareholder base

As the Group progresses, we continue to focus on strengthening and broadening our stock liquidity and shareholder base with a view to enhancing long-term shareholder value. We are encouraged by the overwhelming support from institutional and accredited investors during our private placement of 4 million new shares at the time of our initial listing in 2020, which raised approximately CAD20 million.

To further enhance market liquidity and facilitate greater participation in the Group's growth, we plan to conduct an extensive investor outreach initiative, particularly in Toronto, to introduce RFG to potential investors as a high-dividend-paying firm with a strong growth trajectory. RFG was ranked sixth on the CSE 25 Index and first in the diversified industry list. Concurrently, we are working with the Canadian Securities Exchange (CSE) and several leading brokerages to streamline trading access for our investors in Asia and Europe.

## Potential Strategic Capital Injection from a Family Fund

RFG is currently in negotiations with a family fund that intends to subscribe for RFG's common shares in multiple tranches. This proposed capital infusion is expected to double the Group's total net assets, with the primary objective of strengthening RFG's Trade Finance Revolving Credit ("TFRC") guarantees. With enhanced capitalization and close collaboration with trade finance institutions, RFG aims to provide up to US\$500 million in TFRC guarantees. These guarantees will serve as a "guarantor of last resort" for IPO-Ready Companies ("IRCs")—firms currently being nurtured by RFG for public listing within the next 18 to 24 months—enabling them to secure essential credit lines to procure goods and fulfill sales orders.

## Innovative Revenue and Equity Model

To qualify, each target IRC must achieve a minimum gross margin of 30%. Under the preferred structure:

- **Preferred Dividends:** RFG will receive 50% of the IRC's gross margin in the form of preferred dividends.
- **Equity Upside:** RFG holds an option to acquire IPO shares of the IRC at a 50% discount to the listing price.
- **Tax Efficiency:** The acquisition of such option shares may be funded through the preferred dividends received.

RFG believes that this focus on capital gains offers significantly higher value and greater tax efficiency compared to traditional operating income.

## Realization of cash through consignment sales of MSCs following to the completion of Asset Swap

Following the completion of an asset swap (the "Asset Swap"), in which previously owned listed shares were exchanged for physical assets comprising mesenchymal stromal cell ("MSC") inventory, RFG plans to consign the MSC inventory to a trade finance client within the biotechnology sector. This client is associated with the Company's wholly-owned subsidiary, RFT, and brings deep market understanding, industry experience, business networks, and downstream resources relevant to the application of MSCs.

The consignment structure is designed to:

- **Realize Value:** Facilitate the sale of the MSCs to convert the asset into cash and generate a trading profit. As of December 31, 2025, the MSC inventory carries an independently appraised market value of RMB 339 million (about SGD62 million).
- **Support Business Operations:** Enable the generated cash to be subsequently used to finance the trading activities of the aforementioned client, aligning with the Company's trade finance operations.

Management expects that the sales process under the consignment arrangement will allow the Company to convert the MSC inventory into cash—at a profit—swiftly within the first half of 2026. This transaction aligns with the Company's long-term business strategy and supports its core trade finance operations.

In addition, the transaction is expected to deliver an immediate positive financial impact through the recognition of a significant gain, as the fair value of the MSCs was substantially higher than that of the listed shares on the effective date of the Asset Swap. Barring any unforeseen circumstances, this gain will be reflected in the financial statements for the coming financial year ending in 2026.

**“RFG was ranked sixth on the CSE 25 Index and first in the diversified industry list”**

## Application of Resumption of Trading on CSE and OTCQX

On November 1, 2021, RFG missed its filing deadline of October 28, 2021, to file its audited annual financial statements and accompanying management's discussion and analysis for the financial year ended June 30, 2021 (collectively, the "Annual Filings"). As a result of not completing and filing these annual filings by the aforesaid filing Deadline, RFG became subject to a cease trade order ("CTO") issued by the British Columbia Securities Commission ("BCSC") and the Ontario Securities Commission ("OSC") that prohibited the trading in all securities of RFG by its shareholders through CSE and the OTCQX in the United States.

Since 2021, RFG has dedicated significant efforts to resolving the CTO issues arising from the challenges encountered during the COVID-19 era. Notably, RFG and the former auditor were unable to devise a workable solution to complete the outstanding audits under the lockdown restrictions in China, due to the physical limitations affecting the performance and logistics of audit procedures. The Company also experienced longer-than-expected timelines in engaging the current auditor and completing all outstanding audits for FY2021 to FY2025 in a single exercise. This was further complicated by the refusal of RFG's former component auditors to grant the current auditor access to their working papers, necessitating a re-audit of prior financial years. In addition, as a result of the Asset Swap transaction, the auditor was required to spend additional time to perform additional audit procedures and update the audit report for the financial year ended June 30, 2025 accordingly.

These circumstances posed significant challenges for both RFG and its auditors. Notwithstanding such difficulties, RFG successfully overcame these issues and completed all outstanding audits and annual filings on March 14<sup>th</sup>, 2026, that are, the outstanding audited annual financial statements and accompanying management's discussion and analysis, from the financial year ended June 30, 2021 to 2025. This achievement was made possible through the dedication of management, the support of various vendors and professional parties, and the continued trust of our shareholders and stakeholders. RFG is working on the necessary filing to get the CTO relieved to resume trading on CSE and re-listing on OTCQX.

Our re-listing plan, particularly for OTCQX, became feasible upon the completion of the Asset Swap. This is a strategic move RFG had taken to proactively structure its balance sheet and strategically avoid triggering the investment company classification under relevant regulatory requirements. The Asset Swap transforms a substantial portion of RFG's assets from listed securities into physical inventory held for sale in its ordinary course of business, thereby supporting the strategic goal of maintaining regulatory eligibility for its planned re-listing on OTCQX. A critical consideration in this process is compliance with U.S. securities regulations, specifically the Investment Company Act of 1940 (the "Act") as enforced by the U.S. Securities and Exchange Commission ("SEC"). Under the Act, a company holding more than 40% of its total assets in investment securities may be classified as an "investment company." Such a classification would subject the Company to a stringent regulatory regime requiring SEC registration and imposing extensive disclosure, governance, operational, and leverage limitations. This status would fundamentally alter the regulatory pathway and ongoing compliance obligations for the Company's trading resumption.

RFG thank all shareholders for your patience and believe from 2026 onwards, the Company will have the best years yet.

## CONFIDENCE IN OUR FUTURE

Raffles looks to our future with confidence, not because it is going to be an easy one, but that we are prepared for what lies ahead. We believe we are now in an even stronger position to meet the financing and advisory needs of our clients in the current low interest rate and uncertain environment. More than ever, we see clients approaching us for diverse solutions that provide higher returns and yield, as well as mitigate risks. While the majority of countries and businesses remain deeply engaged in crisis management amid ongoing geopolitical and political unrest, we are already positioning ourselves for sustainable growth by charting a clear trajectory for the future.

**“RFG thank all shareholders for your patience and believe from 2026 onwards, the Company will have the best years yet”**

# Board Practice

## Duties of Directors and Officers

Under the BCA, in exercising their powers and discharging their duties, directors and officers must act honestly and in good faith, with a view to the best interests of the corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. No provision in the corporation's notice of articles, articles, resolutions or contracts can relieve a director or officer of these duties.

As a matter of the Companies Act, a director of a Cayman Islands company is in the position of a fiduciary with respect to the company. Fiduciary obligations and duties of directors under the Companies Act are substantially the same as under the BCA. Under the Companies Act, directors owe the following fiduciary duties: (i) duty to act in good faith in what the director believes to be in the best interests of the company as a whole; (ii) duty to exercise powers for the purposes for which those powers were conferred and not for a collateral purpose; (iii) directors should not properly fetter the exercise of future discretion; (iv) duty to exercise powers fairly as between different sections of members; (v) duty not to put themselves in a position in which there is a conflict between their duty to the company and their personal interests; and (vi) duty to exercise independent judgment.

In addition, under the Companies Act, directors also owe a duty of care which is not fiduciary in nature. This duty has been defined as a requirement to act as a reasonably diligent person having both the general knowledge, skill and experience that may reasonably be expected of a person carrying out the same functions as are carried out by that director in relation to the company and the general knowledge, skill and experience which that director has.

As set out above, directors have a duty not to put themselves in a position of conflict and this includes a duty not to engage in self-dealing, or to otherwise benefit as a result of their position. However, the Memorandum and Articles of Association modify that position by providing that, so long as the nature and extent of any director's personal interest in a matter, transaction or arrangement is declared to the other directors, the interested director may (inter alia) participate in, vote on and be counted in the quorum at any meeting of the directors that considers matters relating to that interest.

Raffles has an audit committee consisting of Abigail Zhang, Lily (Haopu) Ren and William Ying, each of whom is financially literate in accordance with National Instrument 52-110 Audit Committees ("NI 52-110"). Lily (Haopu) Ren and William Ying are independent, as defined under NI 52-110.

The Board may from time to time establish additional committees.

## Audit Committee

The members of the Audit Committee are;

- Lily (Haopu) Ren (Head of the Audit Committee)
- William (Wey Tsu) Ying
- Abigail (Liyang) Zhang

The Audit Committee is composed of independent Directors as majority and constituted in accordance with applicable securities laws and the policies of the CSE.

### **Independence of Audit Committee**

NI 52-110 provides that a member of an audit committee is independent if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of the member's independent judgment. Each of the members of the Audit Committee, in the view of the Board, is "independent" as that term is defined in NI 52-110.

### **Financial Literacy of Audit Committee**

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer's financial statements. All of the Audit Committee members are financially literate as that term is defined in NI 52-110.

### **Relevant Education and Experience**

Please see the disclosure under the subheading "Independent Directors" under the heading "Directors and Officers".

## Audit Committee Charter

### 1. Purpose

The Audit Committee (the "Committee") of Raffles Financial Group Limited ("RFGL") is a committee of the Board of Directors with the responsibility under the governing legislation of RFGL to review the financial statements, accounting policies and reporting procedures of RFGL.

The primary function of the Committee is to assist the Board of Directors in fulfilling its oversight responsibilities by reviewing the financial reports and other financial information provided by RFGL to any governmental body or the public, the systems of internal controls of RFGL regarding finance, accounting and legal compliance that management and the Board have established, and the auditing, accounting and financial reporting processes of RFGL generally. Consistent with this function, the Committee should encourage continuous improvement of, and should foster adherence to, the policies, procedures and practices at all levels of RFGL.

The primary duties and responsibilities of the Committee are to:

- Serve as an independent and objective party to monitor the financial reporting process and the system of internal controls of RFGL.
- Monitor the independence and performance of the auditor of RFGL (the "Auditor") and the internal audit function of RFGL.
- To communicate directly with the internal and external auditors and provide an open avenue of communication among the Auditor, financial and senior management and the Board of Directors.

The Committee will primarily fulfill these responsibilities by carrying out the activities set out in Section 4 of this Charter.

### 2. Composition

- The Committee shall be composed of three or more directors as determined by the Board of Directors. The composition of the Committee shall adhere to all applicable corporate and securities laws and all requirements of the stock exchanges on which shares of RFGL are listed.
- All members of the Committee shall have a working familiarity with basic finance and accounting practices, and be "financially literate" in accordance with applicable laws and all requirements of the stock exchanges on which shares of RFGL are listed or become financially literate within a reasonable period of time following his or her appointment.
- Members of the Committee shall be elected by the Board at the meeting of the Board held immediately after the annual meeting of shareholders or such other times as shall be determined by the Board and shall serve until the next such meeting or until their successors shall be duly elected and qualified.
- Any member of the Committee may be removed or replaced at any time by the Board of Directors and shall cease to be a member of the Committee as soon as such member ceases to be a director. Subject to the foregoing, each member of the Committee shall hold such office until the next annual meeting of shareholders after his or her election as a member of the Committee.
- The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board of Directors may from time to time determine.
- Any person with a past affiliation with RFGL as an officer or auditor is subject to a three year "cooling-off" period, meaning they may not be a member of the Committee during that period.

### 3. Meetings

- The Committee may appoint one of its members to act as Chairman of the Committee. The Chairman will appoint a secretary who will keep minutes of all meetings (the "Secretary"). The Secretary does not have to be a member of the Committee or a director and can be changed by written notice from the Chairman.
- No business may be transacted by the Committee except at a meeting at which a quorum of the Committee is present or by a consent resolution in writing signed by all members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one half of the number of members plus one shall constitute a quorum.
- The Committee will meet as many times as is necessary to carry out its responsibilities, but at least quarterly to review the financial statements of RFGL. The Committee will meet with management and the Auditor in separate executive sessions to discuss any matters that the Committee or these parties believe should be discussed privately.
- The time at which, and the place where, the meetings of the Committee shall be held, the calling of meetings and the procedure in all respects of such meetings shall be determined by the Chairman, unless otherwise provided for in the By-Laws of RFGL or otherwise determined by resolution of the Board of Directors.
- The Committee may invite to, or require the attendance at, any meeting of the Committee, such officers and employees of RFGL, legal counsel or other persons as it deems necessary in order to perform its duties and responsibilities.
- Subject to the provisions of the governing legislation of RFGL and applicable regulations the Chairman of the Committee may exercise the powers of the Committee in between meetings of the Committee. In such event, the Chairman shall immediately report to the members of the Committee and the actions or decisions taken in the name of the Committee shall be recorded in the proceedings of the Committee.

## 4. Responsibilities and Duties

To fulfill its responsibilities and duties the Committee shall:

### **Documents/Reports Review**

- Review and recommend for approval to the Board of Directors of RFGL any revisions or updates to this Charter. This review should be done at least annually.
- Review the interim unaudited quarterly financial statements and the annual audited financial statements and accompanying MD&A, and the related press releases of RFGL and report on them to the Board of Directors.
- Satisfy itself, on behalf of the Board of Directors, that the unaudited quarterly financial statements and annual audited financial statements of RFGL are fairly presented both in accordance with generally accepted accounting principles and otherwise, and recommend to the Board of Directors whether the quarterly and annual financial statements should be approved.
- Satisfy itself, on behalf of the Board of Directors, that the information contained in the quarterly financial statements of RFGL, annual report to shareholders and similar documentation does not contain any untrue statement of any material fact or omit to state a material fact that is required or necessary to make a statement not misleading, in light of the circumstances under which it was made.
- Review any reports or other financial information of RFGL submitted to any governmental body, or the public, including any certification, report, opinion or review rendered by the Auditor.
- Review, and if deemed advisable, approve any related party transactions.
- Have the right, for the purpose of performing their duties: (i) to inspect all the books and records of RFGL; (ii) to discuss such accounts and records and any matters relating to the financial position of RFGL with the officers and auditors of RFGL and the Auditor; (iii) to commission reports or supplemental information relating to the financial information; (iv) to require the Auditor to attend any or every meeting of the Committee; and (v) to engage such independent counsel and other advisors as are necessary in the determination of the Committee.
- Permit the Board of Directors to refer to the Committee such matters and questions relating to the financial position of RFGL and its affiliates or the reporting related to it as the Board of Directors may from time to time see fit.

### **Independent Auditor**

- Be directly and solely responsible for the appointment, compensation, and oversight of the work of the Auditor of RFGL upon shareholder approval of the appointment, with such Auditor being ultimately accountable to the shareholders, the Board and the Committee.
- Act as the Auditor's channel of direct communication to RFGL. In this regard, the Committee shall, among other things, receive all reports from the Auditor of RFGL, including timely reports of:
  - (a) all critical accounting policies and practices to be used;
  - (b) all alternative treatments of financial information within generally accepted accounting principles that have been discussed with the management of RFGL, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the Auditor of RFGL; and
  - (c) other material written communications between the Auditor and the management of RFGL, including, but not limited to, any management letter or schedule of unadjusted differences.
- Satisfy itself, on behalf of the Board of Directors that the Auditor is "independent" of management, within the meaning given to such term in the rules and pronouncements of the applicable regulatory authorities and professional governing bodies. In furtherance of the foregoing, the Committee shall request that the Auditor at least annually provide a formal written statement delineating all relationships between the Auditor and RFGL, and request information from the Auditor and management to determine the presence or absence of a conflict of interest. The Committee shall actively engage the Auditor in a dialogue with respect to any disclosed relationships or services that may impact the objectivity and independence of the Auditor. The Committee shall take, or recommend that the full Board take, appropriate action to oversee the independence of the Auditor.
- Be responsible for pre-approving all audit and non-audit services provided by the Auditor; provided, however, that the Committee shall have the authority to delegate such responsibility to one or more of its members to the extent permitted under applicable law and stock exchange rules.
- Review the performance of the Auditor and make recommendations to the Board of Directors as to whether or not to continue to engage the Auditor.
- Determine and review the remuneration of the Auditor and any independent advisors (including independent counsel) to the Committee.
- Satisfy itself, on behalf of the Board of Directors, that any matter which the Auditor wishes to bring to the attention of the Board of Directors has been addressed and that there are no "unresolved differences" with the Auditor.

**Financial Reporting Process and Risk Management**

- Review the audit plan of the Auditor for the current year and review advice from the Auditor relating to management and internal controls and the responses of RFGL to the suggestions made put forth.
- Monitor the internal accounting controls, informational gathering systems and management reporting on internal controls of RFGL.
- Review with management and the Auditor the relevance and appropriateness of the accounting policies of RFGL and review and approve all significant changes to such policies.
- Satisfy itself, on behalf of the Board of Directors, that RFGL has implemented appropriate systems of internal control over financial reporting and the safeguarding of the assets of RFGL and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the assets of RFGL, management, financial and business operations and the health and safety of employees and that these systems are operating effectively.
- Review and approve the investment and treasury policies of RFGL and monitor compliance with such policies.
- Establish procedures for the receipt and treatment of (i) complaints received by RFGL regarding accounting, controls, or auditing matters and (ii) confidential, anonymous submissions by employees of RFGL as to concerns regarding questionable accounting or auditing.

**Legal and Regulatory Compliance**

- Satisfy itself, on behalf of the Board of Directors, that all material statutory deductions have been withheld by RFGL and remitted to the appropriate authorities.
- Without limiting its rights to engage independent counsel and other advisors as it determines necessary to carry out its duties generally, review, with the principal legal external counsel of RFGL, any legal matter that could have a significant impact on the financial statements of RFGL.
- Satisfy itself, on behalf of the Board of Directors, that all regulatory compliance issues have been identified and addressed.

**Budgets**

- Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

**General**

- Perform any other activities consistent with this Charter, the Articles of RFGL and governing law, as the Committee or the Board of Directors deem necessary or appropriate.
- The audit committee must review and approve RFGL's hiring policies regarding partners, employees and former partners or employees of the present or former external auditor of RFGL.

**Auditors****Audit Committee Oversight**

Since the commencement of RFGL's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor that was not adopted by the Board.

**Pre-Approval Policies and Procedures**

The Audit Committee Charter attached as Appendix D sets forth the specific policies and procedures that the Audit Committee has adopted for the engagement of non-audit services.

**External Auditor Service Fees**

The fees related to the Corporation's external auditor in the last two fiscal years are set out in the table below. Audit fees were incurred in connection with annual financial statements, statutory filings, quarterly reviews of financial information and services rendered for prospectuses.

**Audit and audit related fees for FY2021 - FY2025 are as follows;**

- **FY2021:** S\$30,180
- **FY2022:** S\$105,288
- **FY2023:** Nil
- **FY2024:** S\$198,260
- **FY2025:** S\$32,847

# Directors' Statement

The current directors and officers of Raffles are set out below:

Name, municipality of residence and position with Resulting Issuer	Date of appointment as director or officer	Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed <sup>(1) (4)</sup>
<b>Charlie (Nany Sing) In</b> <i>Singapore</i> Non-Executive Chairman, Director	April 1, 2026 (re-appointment date)	16,199,900 (32.33%)
<b>Abigail (Li Ying) Zhang</b> <i>Singapore</i> Chief Executive Officer and Executive Director	April 28, 2020	8,099,900 (16.17%)
<b>Dong Shim</b> <i>Vancouver, British Columbia, Canada</i> Chief Financial Officer	April 28, 2020	Nil (0.0%)
<b>William (Wey Tsu) Ying</b> <i>Vancouver, British Columbia, Canada</i> Director	July 1, 2025	Nil (0.0%)
<b>Lily (Haopu) Ren<sup>(1) (2) (3)</sup></b> <i>Vancouver, British Columbia, Canada</i> Director	April 28, 2020	20,404 (0.04%)
<b>Monita Faris</b> <i>North Vancouver, B.C.</i> Corporate Secretary	September 7, 2017	Nil

## Notes:

(1) Member of the audit committee.

(2) Independent director.

(3) Based on issued and outstanding Resulting Shares of 50,105,000.

## 1. Period of Service of Directors

Each director will hold office until the conclusion of the next annual general meeting of Raffles, in accordance with its constituting documents.

## 2. Directors and Executive Officers Common Share Ownership

The directors and executive officers of Raffles as a group, directly or indirectly, beneficially own or exercise control or direction over 24,299,800 Shares, representing approximately 48.5% of the issued and outstanding Shares.

## 3. Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, no director or officer of Raffles or a shareholder holding a sufficient number of securities of Raffles to affect materially the control of Raffles, is, or within 10 years before the date hereof has been, a director or officer of any other issuer that, while that person was acting in that capacity:

- i. was the subject of a cease trade or similar order, or an order that denied the other Issuer access to any exemptions under securities law, for a period of more than 30 consecutive days;
- ii. was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
- iii. became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- iv. within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Dong Shim is the Chief Financial Officer of Canamex Gold Corp., which is the subject of a cease trade order dated May 6, 2019 for failure to file annual financial statements for the year ended December 31, 2018. The required documents were filed on September 25, 2019 and the company is currently waiting for a revocation order.

## 4. Penalties or Sanctions

No director or officer of Raffles, or a shareholder holding a sufficient number of Raffles' securities to affect materially the control of Raffles, has been subject to:

- i. any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or
- ii. any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or

## 5. Personal Bankruptcies

No director or officer of Raffles, or a shareholder holding sufficient securities of Raffles to affect materially the control of Raffles, or a personal holding company of any such persons has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or officer.

## 6. Conflicts of Interest

The directors of Raffles are required by law to act honestly and in good faith with a view to the best interests of Raffles and to disclose any interests, which they may have in any project or opportunity of Raffles. If a conflict of interest arises at a meeting of the board of directors, any director in a conflict will disclose his or her interest and abstain from voting on such matter.

To the best of Raffles' knowledge, there are no known existing or potential conflicts of interest among Raffles, directors, officers or other members of management of Raffles as a result of their outside business interests except that certain directors and officers may serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to Raffles and their duties as a director or officer of such other companies. See "Risk Factors".

## 7. Executive Compensation

Raffles is a venture issuer and is disclosing its executive compensation in accordance with Form 51-102F6V.

The following persons are considered the "Named Executive Officers" or "NEOs" for the purposes of this disclosure:

1. each individual who, in respect of Raffles, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer;
2. each individual who, in respect of Raffles, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer;
3. in respect of Raffles, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V, for that financial year;
4. each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of Raffles, and was not acting in a similar capacity, at the end of that financial year;

The following tables (prepared in accordance with National Instrument Form 51-102F6V – Statement of Executive Compensation – Venture Issuers) set forth all annual and long term compensation for services in all capacities to Raffles and its subsidiaries from incorporation in respect of each of NEO for the most recently completed financial year ending June 30, 2024 and 2025.

### Table of compensation excluding compensation securities

Name and position	Year ended June 30	Salary, consulting fee, retainer or commission S(\$)	Bonus S(\$)	Committee or meeting fees S(\$)	Value of perquisites S(\$)	Value of all other compensation S(\$) <sup>(1)</sup>	Total compensation S(\$)
Abigail Zhang	2024	\$60,000	-	-	-	-	\$60,000
Lily (Haopu) Ren	2024	\$30,000	-	-	-	-	\$30,000
David Wong	2024	\$30,000	-	-	-	-	\$30,000
Huang Chuan	2024	\$60,000	-	-	-	-	\$60,000
Charlie In	2025	\$60,000	-	-	-	-	\$60,000
Abigail Zhang	2025	\$60,000	-	-	-	-	\$60,000
Lily (Haopu) Ren	2025	\$30,000	-	-	-	-	\$30,000
David Wong	2025	\$30,000	-	-	-	-	\$30,000
Huang Chuan	2025	\$60,000	-	-	-	-	\$60,000

## Contracted Fees to Directors and Officers

Type of Fee	Amount (per annum)	Services provided	Name of the insider	Relationship between the insider and the company
Directors' fee	CAD 60,000	Non-Executive Directorship	Charlie In	Director
Directors' fee	CAD 60,000	Non-Executive Directorship	Abigail Zhang	Director
Directors' fee	CAD 60,000	Independent Directorship	William (Wey Tsu) Ying	Director
Directors' fee	CAD 60,000	Independent Directorship	Lily (Haopu) Ren	Director

## 8. Interest of Management and others in Material Transactions

Except for the interests of the directors and officers of Raffles in the fees that Raffles contracted to pay them as consideration for their services to the company (See Executive Compensation") and the interests of Charlie (Nany Sing) In and Abigail (Li Ying) Zhang, the following persons or companies do not have any material interest, direct or indirect, in any transaction within the three years before the date of this Statement, or in any proposed transaction, that has materially affected or will materially affect Raffles or RFP:

- (a) any director or executive officer of Raffles;
- (b) a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of Raffles outstanding Shares; and
- (c) an associate or affiliate of any of the persons or companies referred to in paragraphs (a) or (b).

# INDEPENDENT AUDITORS' REPORT & NOTES TO THE FINANCIAL STATEMENTS

FY 2025

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FY 2024

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FY 2023

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FY 2022

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FY 2021

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Shareholders Statistics

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**RAFFLES FINANCIAL GROUP LIMITED  
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2025**  
(Expressed in Singapore Dollars)

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**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
RAFFLES FINANCIAL GROUP LIMITED**

**HML PLT**  
LLP0004524-LCA & 201504000748  
CHARTERED ACCOUNTANTS AF 002152  
1-23B Jalan Desa 1/3  
Desa Aman Puri  
52100 Kuala Lumpur, Malaysia  
Tel 603 – 6273 4543  
Fax 603 – 6273 4542  
Email audit@hml.com.my

**Opinion**

We have audited the consolidated financial statements of Raffles Financial Group Limited and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated statements of financial position as at June 30, 2025 and 2024, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Financial Asset Measured at Fair Value Through Other Comprehensive Income ("FVOCI") and Subsequent Conversion to Mesenchymal Stromal Cell ("MSC") Inventory**

Refer to Note 3.4(i) – Material accounting policy information – financial assets, Note 10 – Financial assets, at fair value through other comprehensive income ("FVOCI") and Note 19(b) – Significant events

**The key audit matter**

As at June 30, 2025, the carrying amount of the Company's financial assets measured at FVOCI amounted to S\$47,283,937 representing 99.9% of the Company's current assets and these assets are held under the name of the Chief Executive Officer ("CEO"), who was granted power of attorney to hold the shares in trust in his overseas stock brokerage account on behalf of the Company.

A fair value gain of S\$10,896,434 was recognised in other comprehensive income to reflect the increase in the market value of the equity instrument as at the reporting date.

On April 11, 2025, the overseas brokerage firm holding the shares was deregistered. Subsequent to the year end, the Company entered into a tripartite agreement pursuant to which the investment in the Hong Kong-listed equity shares was swapped for mesenchymal stromal cell ("MSC") inventory on December 31, 2025.

We have identified this to be a key audit matter due to:

- The involvement of the CEO in the transaction, which required careful evaluation for potential related party implications;
- The deregistration of the brokerage firm; and
- The complexity and judgment involved in assessing the right, existence, condition, valuation and quality of the MSC inventory received in exchange for the Hong Kong listed equity shares.

**How the matter was addressed in our audit**

In respect of the financial assets measured at FVOCI as at June 30, 2025, we performed the following audit procedures, among others:

- Obtaining nominee shareholding agreement, examine terms of the agreement and considered substantive rights of the Company over the Hong Kong-listed equity shares and determined that these assets are held in trust by the CEO;
- Agreeing the number of Hong Kong-listed equity shares held in trust by the CEO to his personal overseas stock brokerage account and obtained third-party broker confirmation; and
- Assessing adequacy and reasonableness of disclosures in the consolidated financial statements.

In respect of the subsequent swap of the equity investment for MSC inventory, we performed the following procedures, among others:

- Obtained and reviewed the tripartite agreement governing the swap transaction and evaluated the commercial substance of the arrangement;
- Considered objectivity, competence and capabilities of independent valuer;
- Obtained and assessed an independent valuation report to evaluate the reasonableness of the valuation attributed to the MSC inventory received in exchange;
- Obtained and reviewed the inventory storage and management agreement between the Company and a third party to verify the Company's rights to the inventory;
- Attended the inventory count to verify the existence and condition of the MSC inventory; and
- Obtained and reviewed laboratory testing reports for samples selected during the inventory count to test its content against those of the inventory records.

**Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Mee Ling.

Kuala Lumpur, Malaysia  
March 14, 2026



HML PLT  
Chartered Accountants

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED JUNE 30, 2025 AND 2024**

(Expressed in Singapore Dollars)

	Note	2025 S\$	2024 S\$
Revenue	6	-	-
Expenses			
Administrative	7	(334,791)	(550,666)
<b>Loss before other items and income tax</b>		(334,791)	(550,666)
<b>Other items</b>			
Other income	8	474,073	8,079
Borrowing costs	14	(15,751)	(15,745)
Loss on disposal of subsidiary		-	(78,000)
Gain arising from the derecognition of financial assets measured at amortised cost	10	-	17,228,141
Foreign exchange (loss)/gain		(27,593)	520,579
<b>Net income before income tax</b>		95,938	17,112,388
Income tax expense	9	-	-
<b>Net income for the year</b>		95,938	17,112,388
<b>Other comprehensive income</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		(854,178)	(584,943)
Unrealised gain on investments	10	10,896,434	1,063,893
<b>Other comprehensive income for the year, net of tax</b>		10,042,256	478,950
<b>Total comprehensive income for the year</b>		10,138,194	17,591,338
<b>Basic and diluted earnings per share</b>		0.00	0.34
<b>Weighted average number of common shares outstanding – basic</b>		50,105,000	50,105,000
<b>Weighted average number of common shares outstanding – diluted</b>		50,105,000	50,380,000

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2025 AND 2024**  
(Expressed in Singapore Dollars)

	Note	2025 S\$	2024 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets, at FVOCI	10	47,283,937	37,311,314
Other receivable and prepaid expenses	11	2,316	5,587
Cash and cash equivalents	12	99	361
		<u>47,286,352</u>	<u>37,317,262</u>
<b>TOTAL ASSETS</b>		<u>47,286,352</u>	<u>37,317,262</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables and accrued liabilities	13	687,395	872,249
Borrowings	14	233,041	217,291
		<u>920,436</u>	<u>1,089,540</u>
<b>TOTAL LIABILITIES</b>		<u>920,436</u>	<u>1,089,540</u>
<b>NET ASSETS</b>		<u>46,365,916</u>	<u>36,227,722</u>
<b>EQUITY</b>			
Share capital	15	25,999,591	25,999,591
Contributed surplus		-	945,194
Accumulated other comprehensive income		10,138,247	95,991
Retained earnings		10,228,078	9,186,946
<b>TOTAL EQUITY</b>		<u>46,365,916</u>	<u>36,227,722</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>47,286,352</u>	<u>37,317,262</u>

Approved and authorised by the Board on March 14, 2026

Approved on behalf of the Board:

*"Abigail Zhang Liying"*  
Director

*"Charliel Nany Sing"*  
Director

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
FOR THE YEAR ENDED JUNE 30, 2025 AND 2024**  
(Expressed in Singapore Dollars)

	Number of shares	Share capital S\$	Contributed surplus S\$	Accumulated other comprehensive (loss)/income S\$	Retained earnings S\$	Total equity S\$
<b>Balance as at June 30, 2023</b>	50,105,000	25,999,591	945,194	(382,959)	(7,925,442)	18,636,384
Change in fair value of FVOCI investments	-	-	-	1,063,893	-	1,063,893
Foreign currency translation	-	-	-	(584,943)	-	(584,943)
Net income for the year	-	-	-	-	17,112,388	17,112,388
<b>Balance as at June 30, 2024</b>	50,105,000	25,999,591	945,194	95,991	9,186,946	36,227,722
Change in fair value of FVOCI investments	-	-	-	10,896,434	-	10,896,434
Foreign currency translation	-	-	-	(854,178)	-	(854,178)
Reclassification of contributed surplus upon expiry of share options	-	-	(945,194)	-	945,194	-
Net profit for the year	-	-	-	-	95,938	95,938
<b>Balance as at June 30, 2025</b>	50,105,000	25,999,591	-	10,138,247	10,228,078	46,365,916

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2025 AND 2024**  
(Expressed in Singapore Dollars)

	Note	2025 S\$	2024 S\$
<b>Operating activities</b>			
Net income before income tax		95,938	17,112,388
Adjustment for:			
- Borrowing costs		15,751	15,745
- Dividend income from equity instruments, at FVOCI	8	(474,073)	-
- Gains arising from the derecognition of financial assets measured at amortised cost	10	-	(17,228,141)
- Foreign exchange loss/(gain)		27,593	(520,579)
- Loss on disposal of subsidiary		-	78,000
<b>Operating cash flow before changes in working capital</b>		<b>(334,791)</b>	<b>(542,587)</b>
Changes in working capital:			
- Other receivable and prepaid expenses		3,271	610,965
- Other payables and accrued liabilities		(137,376)	465,
			983
<b>Net cash (used in)/from operating activities</b>		<b>(468,896)</b>	<b>534,361</b>
<b>Investing activity</b>			
Dividend received		474,073	-
<b>Net cash from investing activity</b>		<b>474,073</b>	<b>-</b>
<b>Financing activity</b>			
Proceeds from borrowings		-	37,326
<b>Net cash from financing activity</b>		<b>-</b>	<b>37,326</b>
Effect of foreign exchange on cash and cash equivalents		(5,439)	(584,945)
<b>Net decrease in cash and cash equivalents</b>		<b>(262)</b>	<b>(13,258)</b>
<b>Cash and cash equivalents</b>			
At beginning of year		361	13,619
<b>At end of year</b>	12	<b>99</b>	<b>361</b>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**1. General information**

Raffles Financial Group Limited (the "Company") was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011. The head office of the Company is located at 3 Shenton Way, #11-1H Shenton House, Singapore, 068805. The principal activity of the Company is the provision of corporate finance advisory services.

On April 29, 2020, the Company changed its corporate jurisdiction from British Columbia to the Cayman Islands. The Company's common shares are listed on Canadian Securities Exchange under symbol "RICH". The trading in the Company's common shares was suspended effective from January 6, 2022 by a cease trade order issued by the Ontario and British Columbia Securities Commission.

The principal activities of the subsidiaries are disclosed in Note 5 to the consolidated financial statements.

For the purposes of these consolidated financial statements, the "Company" is defined as the consolidated entity.

These consolidated financial statements for the year ended June 30, 2025 and 2024 were authorised for issuance by the Board of Directors on March 14, 2026.

**2. Basis of preparation**

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the material accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar ("S\$"). The functional currency of the parent company is the Canadian Dollar ("C\$"), the functional currency of Raffles Fintech Limited and Raffles Financial Limited is the Hong Kong Dollar ("HK\$").

*New and amended standards*

In the current financial year, the Company has adopted all the amendments that are relevant to its operations and effective for the current financial year and adoption of these amendments in the current financial year had no impact on the Company's consolidated financial statements.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

2. Basis of preparation (Continued)

*Standards issued but not yet effective*

The Company has not early applied the following new and amended standards that have been issued but are not yet effective:

Title	Effective date (annual periods beginning on or after)
<i>Lack of Exchangeability</i> (Amendments to IAS 21)	January 1, 2025
<i>Amendments to the Classification and Measurement of Financial Instruments</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
<i>Contracts Referencing Nature-dependent Electricity</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027
<i>Translation to a Hyperinflationary Presentation Currency</i> (Amendments to IAS 21)	January 1, 2027
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to IFRS 10 and IAS 28)	Deferred

The Company intends to adopt these new and amended standards, if applicable, when they become effective. Except as described below, the new and amended standards are not expected to have a material impact on the Company's consolidated financial statements.

**IFRS 18 *Presentation and Disclosure in Financial Statements***

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard.

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**3. Material accounting policy information**

**3.1 Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Raffles Fintech Limited ("RFT") (formerly known as "Oaktree Financial Limited") and Raffles Financial Limited ("RF") (formerly known as "Oaktree International Financial Limited") acquired on August 28, 2024. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Particulars of subsidiaries are set out below:

Name of subsidiary Held directly by the Company	Country of incorporation/ Principal place of business	Effective equity interest held by the Company (%)		Principal activities
		2025	2024	
RafflesFintech Limited ("RFT") (Formerly known as "Oaktree Financial Limited")	Hong Kong	100	-	Provision of corporate finance advisory services (Dormant)
Raffles Financial Limited ("RF") (Formerly known as "Oaktree International Financial Limited")	Hong Kong	100	-	Provision of corporate finance advisory services (Dormant)

Subsidiaries are entities (including structured entities) (i) over which the Company has power and the Company is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Company reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Company has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Company up to the effective date on which control ceases, as appropriate.

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**3. Material accounting policy information (Continued)**

**3.1 Basis of consolidation (Continued)**

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the amended consolidated financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Company.

Non-controlling interests are identified separately from the Company's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of income reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statements of income.

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**3. Material accounting policy information (Continued)**

**3.1 Basis of consolidation (Continued)**

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**3.2 Leases**

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed. The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

**3.3 Cash**

Cash consists of unrestricted bank deposits, some of which are interest-bearing.

**3.4 Financial instruments**

The classification of a financial asset or liability is determined at the time of initial recognition. The Company does not enter into derivative contracts.

*(i) Financial assets*

A financial asset is recognised when the Company has the contractual right to collect future cash flows. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recorded at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model. The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

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3. Material accounting policy information (Continued)

3.4 Financial instruments (Continued)

Cash is initially recorded at their fair value and carried at amortised cost. Trade and other receivables are initially recorded at their fair value, less transaction costs and subsequently carried at amortised cost using the effective interest method less impairment losses, if any.

Investments in equity instruments, where the Company cannot exert significant influence and the investments are not held for trading purpose, are classified as FVOCI.

Impairment of financial assets

The Company recognises a loss allowance by applying the expected credit losses ("ECL") model on the Company's financial assets carried at amortised cost. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets, other than those at FVTPL and amortised cost, are assessed for indicators of impairment at each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

De-recognition of financial assets

A financial asset is derecognised when the contractual right to the asset's cash flows expires or the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

(ii) *Financial liabilities*

The Company classifies its financial liabilities in the following category: Amortised cost A financial liability is recognised when the Company has the contractual obligation to pay future cash flows. Financial liabilities such as accounts payable and accrued liabilities are recognised at amortised cost using the effective interest rate method.

Accounts payable and accrued liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when its contractual obligations are discharged or ~~cancelled, or expire.~~ The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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**3. Material accounting policy information (Continued)**

**3.4 Financial instruments (Continued)**

*(iii) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**3.5 Income taxes**

Current income tax for current period is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax shall be recognised as income or an expense and included in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity; or a business combination.

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**3. Material accounting policy information (Continued)**

**3.6 Currency translation**

*(i) Functional and presentation currency*

The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar (“S\$”). The functional currency of the parent company is the Canadian Dollar (“C\$”), the functional currency of Raffles Fintech Limited and Raffles Financial Limited is the Hong Kong Dollar (“HK\$”).

*(ii) Transactions and balances*

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

*(iii) Foreign operations*

On consolidation, the assets and liabilities of foreign operations are translated into Singapore dollars at the exchange rate prevailing at the reporting period end and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in earnings and recognised as part of the gain or loss on disposal.

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**3. Material accounting policy information (Continued)**

**3.7 Share capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new common shares are deducted against the share capital amount.

**3.8 Earnings per share**

Basic earnings or loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is calculated by adjusting the earnings or loss attributable to equity shareholders and the weighted average of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**3.9 Share-based payments**

The Company uses the fair value based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of equity settled share-based compensation issued to employees is measured on the date of grant, using the Black-Scholes option pricing model and is recognised over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. In situations where equity settled share-based compensation are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of the goods or services received.

**3.10 Dividends to Company's shareholders**

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

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**4. Critical accounting judgments and estimates**

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management's judgment and estimates relate to the determination of income taxes and inputs used in accounting for share-based compensation. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Estimates

~~Income taxes~~ - Tax interpretations, regulations and legislation are subject to change and as such, income taxes are subject to measurement uncertainty.

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**5. Acquisitions of subsidiaries**

The Company had the following subsidiaries corporations as at June 30, 2025 and 2024:

Name of company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company	
			2025 %	2024 %
Raffles Fintech Limited (Formerly known as "Oaktree Financial Limited") (a)	Provision of corporate finance advisory services (Dormant)	Hong Kong	100	-
Raffles Financial Limited (Formerly known as "Oaktree International Financial Limited") (b)	Provision of corporate finance advisory services (Dormant)	Hong Kong	100	-

*(a) Acquisition of Raffles Fintech Limited ("RFT") (Formerly known as "Oaktree Financial Limited")*

On December 21, 2021, the Company entered into a share purchase agreement to acquire all of the outstanding share capital of Dayou Investment Limited ("DI"), a Hong Kong-based company supplying various B2B computing hardware and software to clients in Hong Kong, Vietnam, Thailand, Malaysia and Indonesia. Subject to prior approval of the Canadian Securities Exchange, the Company shall complete the acquisition of DI for the purchase price of S\$100 (C\$93.71). Subsequent to the closing of the purchase of DI, the Vendors of DI shall be entitled to a performance-based payment equal to ten times DI's audited net profit after tax for the financial periods ended December 31, 2022, payable in the Company's shares valued at C\$10 per share. However, such share transaction was not completed nor been taken into effect due to the fact that the condition precedent of the transaction was not fulfilled in light of a set trading order in place and failure to commence the proposed business in China due to the prolonged COVID-19 pandemic. Subsequently on October 31, 2022, both parties entered into a termination and mutual release agreement from the share purchase agreement with an independent party.

Before reaching the decision of termination and mutual release from the share purchase agreements, the Company had been in negotiation with a potential Chinese corporate finance expert, Mr. Xu Zhiyang who had expressed his interest in collaboration with the Company in the form of contributing profit to the Company in exchange for a performance-based reward in a stake form based on future earnings.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

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**5. Acquisitions of subsidiaries (Continued)**

(a) *Acquisition of Raffles Fintech Limited ("RFT") (Formerly known as "Oaktree Financial Limited")*

*(Continued)*

In order to achieve such collaboration, Mr. Xu Zhiyang had taken over 100% interests in DI upon the aforesaid termination. Then on November 4, 2022, Mr. Xu Zhiyang entered into share purchase agreement with Raffles Financial Private Limited ("RFPL", the former wholly owned subsidiary of the Company), pursuant to which:

- (i) RFPL shall acquire all of the outstanding share capital of and DI (subsequently changed its name to Raffles Financial Technology (China) Limited ("RFTC")) at a consideration of S\$100 (C\$96);
- (ii) subject to the Company's shareholders and necessary approval from relevant authorities, Mr. Xu Zhiyang shall be entitled to a performance-based payment payable in terms of:
  - a) a share consideration equivalent to 25% of the interest in the total issued shares capital of RFPL on a post-transaction basis, shall the RFTC delivers an audited net profit after tax ("NPAT") for the financial year ending December 31, 2023 of S\$10,000,000; or
  - b) a share consideration of ten times of the RFTC's NPAT for the financial year ending December 31, 2023 payable in the shares of the Company valued at C\$3.30 per shares at a cap of 30,303,030 shares.

On July 31, 2023, Mr. Xu Zhiyang, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in RFTC under the original share purchase agreement ("Original Agreement 1") dated November 4, 2022 to the Company as the new purchaser of RFTC. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 1 and to be bound by its terms in every way as if it were named in the Original Agreement 1 in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Xu Zhiyang in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall RFTC deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of RFTC's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

On August 28, 2024, 100,000 shares representing 100% interest in RFTC (subsequently changed its name to Oaktree Financial Limited ("OFHK")) was transferred to the Company from Mr. Xu Zhiyang at a consideration of S\$0.16 (HKD1.00), representing that the acquisition pursuant to the novation agreement dated July 31, 2023 was affected.

On May 2, 2025, OFHK has changed its name to Raffles Fintech Limited ("RFT").

As of June 30, 2025, no performance-based consideration was paid as RFT did not achieve a positive NPAT.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

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**5. Acquisitions of subsidiaries (Continued)**

*(a) Acquisition of Raffles Fintech Limited ("RFT") (Formerly known as "Oaktree Financial Limited")*

*(Continued)*

On July 2, 2025, Mr. Xu Zhiyang, Mr. Lou Kuo-Hao and the Company entered into a novation agreement to novate the rights and obligations of the original seller, Mr. Xu Zhiyang in relation to the sales of 100% equity interest in Raffles Fintech Limited under the Original Agreement 1 dated November 4, 2022 to Mr. Lou Kuo-Hao as the new seller of RFT. Pursuant to the novation agreement, Mr. Lou Kuo-Hao undertakes to perform the Original Agreement 1 and to be bound by its terms in every way as if it were named in the Original Agreement 1 in place of Mr. Xu Zhiyang, saved for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Lou Kuo-Hao in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall RFT deliver an audited net profit after tax for the financial year ending December 31, 2025 of S\$10,000,000; or
- (ii) a share consideration of twelve times of RFT's audited net profit after tax for the financial year ending December 31, 2025 payable in the shares of the Company valued at C\$6.00 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

*(b) Acquisition of Raffles Financial Limited ("RF") (Formerly known as "Oaktree International Financial Limited")*

On November 4, 2022, RFPL entered into a share purchase agreement with Mr. Huang Chuan to acquire 100% interest in Raffles Financial Technology (Asia) Private Limited (subsequently changed its name to Asia Oaktree Financial Private Limited ("AOF")), a Singapore-based company at a cash consideration of S\$100 and a performance-based consideration payable either in:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of RFPL on a post-transaction basis, shall the AOF deliver an audited net profit after tax ("NPAT") for the financial year ending December 31, 2023 of S\$10,000,000; or
- (ii) a share consideration of ten times of the AOF's NPAT for the financial year ending December 31, 2023 payable in the shares of the Company valued at C\$3.30 per shares at a cap of 30,303,030 shares.

The performance-based consideration is subject to Company's shareholders and/or relevant authorities' approval.

The share transfer was completed on December 16, 2022. RFPL assigned the Company to own the shares on the same date under a mutual agreement with Mr Huang Chuan.

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**5. Acquisitions of subsidiaries (Continued)**

*(b) Acquisition of Raffles Financial Limited ("RF") (Formerly known as "Oaktree International Financial Limited") (Continued)*

On December 1, 2023, Mr. Huang Chuan, Oaktree International Financial Limited ("OIF"), AOF, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in AOF under the original share purchase agreement ("Original Agreement 2") dated November 4, 2022 to the Company, and to supersede the original target corporation, AOF by a new target Hong Kong-based company, OIF. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 2 and to be bound by its terms in every way as if it were named in the Original Agreement 2 in place of RFPL, save for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Huang Chuan in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall OIF deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of OIF's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

On August 28, 2024, 100 shares representing 100% interest in OIF was transferred to the Company from Mr. Huang Chuan at a consideration of S\$0.16 (HKD1.00), representing that the acquisition pursuant to the novation agreement dated December 1, 2023 was affected.

On June 30, 2025, OIF has changed its name to Raffles Financial Limited ("RF").

As of June 30, 2025, no performance-based consideration was paid as RF did not achieve a positive NPAT.

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**6. Revenue**

The Company did not derive any revenue from the rendering of services during the financial year ended June 30, 2025 and 2024.

**7. Administrative expenses by nature**

	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Audit fee		
- current year	32,847	29,739
- prior years	-	168,521
Contract for services	-	143,266
Director fees	227,856	179,082
Office expenses	5,134	5,437
Professional fees	34,759	-
Transfer agent and regulator fees	34,195	24,621
<b>Total administrative expenses</b>	<u>334,791</u>	<u>550,666</u>

**8. Other income**

	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Dividend income from equity instruments at fair value through OCI	474,073	-
Others	-	8,079
<b>Total other income</b>	<u>474,073</u>	<u>8,079</u>

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**9. Income tax expense**

The Cayman Islands and Singapore components of income before income taxes and provision for income taxes were as follows:

	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Income before income taxes		
Cayman Islands	95,938	17,108,783
Singapore	-	3,605
	<u>95,938</u>	<u>17,112,388</u>

The following table reconciles the expected income taxes expense at the statutory income tax rate to the amounts recognised in the consolidated statements of income and comprehensive income for the years ended June 30, 2025 and 2024:

	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Net income before tax	95,938	17,112,388
Statutory tax rate	0.00%	0.00%
Expected income tax	<u>0.00</u>	<u>0.00</u>
Difference in foreign jurisdiction tax rates	-	613
Income not subject to tax	-	(613)
<b>Total tax expense</b>	<u>-</u>	<u>-</u>

The Company's jurisdiction is the Cayman Islands, where the statutory tax rate is 0%.

**10. Financial assets, at fair value through other comprehensive income ("FVOCI")**

	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
<i>Investment in equity designated at FVOCI</i>		
Listed securities:		
Tencent Holdings Limited ("THL")	<u>47,283,937</u>	<u>37,311,314</u>

On May 20, 2021, the Company entered into a Memorandum of Understanding (the "MOU") to acquire 100% HuDuoBao Network Technology Co., Ltd. ("HDB"). For consideration, the Company made a refundable deposit of RMB 102,000,000 (the "Deposit") for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment.

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**10. Financial assets, at fair value through other comprehensive income ("FVOCI") (Continued)**

In December 2021, the Company entered into a cloud-based system right-to-use agreement ("SaaS Agreement") with HDB to license the Company and its agent(s) a right to use HDB's cloud-based emails, 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 ("Right-to-Use") to provide e-commerce integrated solution to merchants. Pursuant to the agreement, the Right-to-Use is on a period of 3 years for a monthly fee of RMB 2,500,000 which can be offset from the Deposit through the utilisation of the Right-to-Use service.

However, the Right-to-Use service had not subsequently commenced due to a force majeure situation, where China's authorities accelerated efforts in mass locking down several major cities in China in light of the surging COVID-19 Omicron variant case that hindered HDB and the Company's management to perform the agreement in China. In June 2022, HDB and the Company mutually agreed to an assignment of the SaaS Agreement to a third party in China whereby HDB shall return the deposit in the amount of RMB 102,000,000 to the Company pursuant to the MOU. In light of the foreign exchange control in China which restricts refund of the Deposit being held by HDB 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. HDB had 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.

On March 12, 2024, the Company entered into a deposit refund agreement ("Refund Agreement") whereby the equivalent amount of the Deposit was refunded in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange. On the same date, the Company entered into a nominee shareholding agreement with Chief Executive Officer ("CEO") of the Company, Mr. Huang Chuan, whereby the CEO is granted power of attorney to hold the share of Tencent Holdings Limited in trust in his overseas stock brokerage account on behalf of the Company. As a result of the Refund Agreement, the deposit was refunded during the year in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.

The management had made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of this investment as the investment is not held for trading. The fair value of the shares at the date of reclassification was S\$36,247,421, resulting in a gain of S\$17,228,141 recognised in profit or loss on the derecognition of the financial asset previously measured at amortised cost during the year ended June 30, 2024.

As at June 30, 2025, the fair value of the investment increased by S\$10,896,434 (2024: S\$1,063,893), which was recognised in other comprehensive income and accumulated in the FVOCI reserve within equity.

**11. Other receivable and prepaid expenses**

	2025 S\$	2024 S\$
Other receivable		
-Nonrelated party	94	99
Prepaid expenses	2,222	5,488
	<u>2,316</u>	<u>5,587</u>

**RAFFLES FINANCIAL GROUP LIMITED****NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**12. Cash and cash equivalents**

	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Bank balances	99	361
Cash and cash equivalents in the consolidated statements of financial position and cash flows	99	361
	<u>99</u>	<u>361</u>

The currency profile of the Company's cash and cash equivalents is as follows:

	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
United States Dollar	-	262
Canadian Dollar	99	99
	<u>99</u>	<u>361</u>

**13. Other payables and accrued liabilities**

	<b>2025</b>	<b>2024</b>
	<b>S\$</b>	<b>S\$</b>
Accrued liabilities	295,013	853,196
Amount due to Directors	392,382	19,053
	<u>687,395</u>	<u>872,249</u>

Amounts due to Directors are unsecured, interest-free and repayable on demand.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

14. Borrowings

	2025	2024
	S\$	S\$
Short-term borrowings—Nonrelated party	<u>233,041</u>	<u>217,291</u>

On January 1, 2023, the Company's former wholly owned subsidiary, AOF, entered into a convertible bond agreement with an independent third party (the "Lender"). Under the agreement, the Lender agreed to provide AOF with an unsecured, interest-bearing loan facility of up to C\$2,000,000, with each drawdown carrying a one-year maturity term and an interest rate of 8% per annum.

On December 1, 2023, AOF, the Lender, and the Company entered into an assignment agreement (the "Assignment"), pursuant to which all parties agreed to transfer all rights, obligations, and outstanding drawdowns under the original convertible bond agreement from AOF to the Company within 30 days from the signing date. As a result, the Company became the new borrower, assuming AOF's position under the loan agreement. As of the date of the Assignment, the principal amount of the loan drawn and transferred was S\$198,238.

During the year ended June 30, 2024, the Company and the Lender agreed to extend the maturity of the loan to June 30, 2025. Subsequently, the maturity date of the loan has been further extended to June 30, 2026. The extended loan remains unsecured and carries an interest rate of 8% per annum.

In accordance with the terms of the convertible bond agreement, the Lender has the right to convert all or part of the outstanding loan balance into new ordinary shares of the Company at an exercise price of C\$2.60 per share, at any time during the term of the loan. However, the total number of shares to be issued upon conversion shall not exceed 30% of the Company's enlarged share capital. The conversion right is subject to the approval of the Company's shareholders and the relevant Canadian regulatory authorities.

As of June 30, 2025, the required approvals had not been obtained. Accordingly, no equity component has been recognised for the conversion feature of the loan as of that date.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**15. Share capital**

	Number of common shares	S\$
<b>Balance at June 30, 2025 and 2024</b>	<u>50,105,000</u>	<u>25,999,591</u>

The authorised share capital of the Company is 5,000,000,000 common shares without par value.

**Stock options**

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

On May 11, 2020, the Company issued 300,000 stock options with an exercise price of C\$5.00 per share, at a fair value of C\$1,019,754. These stock options are subject to vesting provisions such that 25% of the options vest three months from the date of grant, 25% of the stock options vest six months from the date of grant, 25% of the stock options vest nine months from the date of grant and 25% of the stock options vest twelve months from the date of grant. The fair value per option was C\$3.40. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, a risk-free rate of 0.38%, a forfeiture rate of 0%, and volatility of 100%.

These stock options expired during the current financial year on May 11, 2025.

During the year ended June 30, 2025 and 2024, the Company recorded no share-based compensation in relation to these stock options.

	Number of options	Exercise price C\$	Expiry date
<b>Balance outstanding and exercisable at June 30, 2024</b>	275,000	5.00	May 11, 2025
<b>Expired stock options</b>	(275,000)	<u>(5.00)</u>	
<b>Balance outstanding and exercisable at June 30, 2025</b>	<u>-</u>	<u>-</u>	

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**16. Related party transactions**

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Company and related party at terms agreed between the parties. Related party refers to the Company which is controlled by the Company's directors and their close family members.

*Key management personnel compensation*

Transaction entered into between the related parties and the Company

	2025	2024
	S\$	S\$

Director fees These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the fair value, which is the amount of consideration established and agreed to by the related parties.

**17. Segmental information**

	United States	Hong Kong	Canada	Total
	S\$	S\$	S\$	S\$
<b>As at June 30, 2025</b>				
Cash	-	-	99	99
Current assets and total assets	-	47,283,937	2,415	47,286,352
<b>As at June 30, 2024</b>				
Cash	262	-	99	361
Current assets and total assets	262	37,311,314	5,686	37,317,262

**Segment assets**

Segment assets has been based on the geographic location of the assets.

**Segment liabilities**

~~Segment liabilities~~ information is not included in the internal management reports. Hence, no disclosures are made on segment liabilities.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

18. Financial instruments and financial risk management

*Classification of financial instruments:*

	2025 S\$	2024 S\$
<u>Financial assets</u>		
Financial assets, at FVOCI	47,283,937	37,311,314
Other receivable	94	99
Cash and cash equivalents	99	361
	<u>47,284,130</u>	<u>37,311,774</u>
<u>Financial liabilities</u>		
Other payables and accrued liabilities	687,395	872,249
Borrowings	233,041	217,291
	<u>920,436</u>	<u>1,089,540</u>

*Financial risks factors*

The Company's activities expose it to credit risk, liquidity risk, currency risk, equity price risk and capital risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance. The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. This includes establishing detailed policies such as risk identification, measurement and exposure limits.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits and trade and other receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

Cash are placed with banks and financial institutions with high credit-ratings assigned by international credit rating agencies. Trade receivables are substantially companies with a good collection track record.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments present on the statement of financial position.

The Company has applied the simplified approach to measure the lifetime expected credit losses for trade receivables.

In measuring the expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company has considered the customers' available credit history and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

18. Financial risk management (Continued)

***Financial risks factors (Continued)***

(a) *Credit risk (Continued)*

The Company performs ongoing reviews on the collectability of its trade receivables in order to mitigate any potential credit losses. The definition of trade receivables that are past due is determined by reference to terms agreed upon with individual customers. No trade receivables have been challenged by the respective customers and the Company continues to conduct business with them on an ongoing basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as counterparty failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Based on management assessment, cash and receivables as at June 30, 2025 are not subject to any material credit losses.

*Liquidity risk*

(b)

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operating commitments. As at June 30, 2025, all the financial liabilities of the Company are due within 12 months. Balance due within 12 months equal their carrying amounts as the impact of discounting is not significant.

(c) *Currency risk*

The functional currency is C\$ for the Company and HK\$ for RFT and RF. The Company is exposed to currency risk primarily through its equity investments classified as financial assets at fair value through other comprehensive income ("FVOCI"), which are denominated in foreign currencies. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk related to these financial assets is currently considered significant.

Foreign currency risk sensitivity analysis

**2025**

	Base Value	Strengthening (+5%)	Weakening (-5%)	Impact (+5%)	Impact (-5%)
	S\$	S\$	S\$	S\$	S\$
Hong Kong Dollar	<u>47,283,937</u>	<u>49,648,134</u>	<u>44,919,740</u>	<u>2,364,197</u>	<u>(2,364,197)</u>

As at June 30, 2025, the Company held foreign currency financial assets, at FVOCI totalling S\$47,283,937. A 5% strengthening or weakening of the Singapore Dollar against the respective foreign currencies would have resulted in a decrease or increase in the value of these balances by approximately S\$2,364,197. This analysis assumes that all other variables remain constant.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE  
CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Singapore Dollars)

**18. Financial risk management (Continued)**

***Financial risks factors (Continued)***

(c) *Currency risk (Continued)*

**2024**

	<b>Base Value</b>	<b>Strengthening (+5%)</b>	<b>Weakening (-5%)</b>	<b>Impact (+5%)</b>	<b>Impact (-5%)</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Hong Kong Dollar	<u>37,311,314</u>	<u>39,176,880</u>	<u>35,445,748</u>	<u>1,865,566</u>	<u>(1,865,566)</u>

As at June 30, 2024, the Company held foreign currency financial assets, at FVOCI totalling S\$37,311,314. A 5% strengthening or weakening of the Singapore Dollar against the respective foreign currencies would have resulted in a decrease or increase in the value of these balances by approximately S\$1,865,566. This analysis assumes that all other variables remain constant.

(d) *Equity price risk*

The Company is exposed to equity price risk arising from its investments in quoted equity instruments which are classified as financial assets at FVOCI. The Company has a concentration of equity price risk due to one investment worth the whole amount of its portfolio.

Equity price risk arises from fluctuations in the market prices of these shares due to market volatility, changes in investor sentiment, and specific performance of the investee companies. The risk is managed through regular monitoring of the investment portfolio, diversification where applicable, and adherence to established investment policies.

At the reporting date, if the market prices of the quoted equity investments had increased or decreased by 10%, with all other variables held constant, the Company's other comprehensive income would have increased or decreased by approximately Nil (2024: S\$3,731,131), mainly as a result of changes in the fair value of quoted equity investments.

(e) *Capital risk*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares.

The Company is not subject to any externally imposed capital requirements.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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18. Financial risk management (Continued)

***Financial risks factors (Continued)***

*Fair value measurements*

(f)

Fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of current financial assets and liabilities other than the investment approximate their carrying amounts due to the short term nature. The equity investments at FVOCI include shares in publicly traded companies listed on a stock exchange. The fair value of equity investments at FVOCI is determined based on a market approach reflecting the closing price of each particular security at the consolidated financial position date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore equity investments at FVOCI are classified within Level 1 of the fair value hierarchy.

19. Significant events

(a) On November 1, 2021, the Company announced that it would miss its filing deadline of October 28, 2021 (the "Filing Deadline"), to file its audited annual financial statements and accompanying management's discussion and analysis and related Chief Executive Officer and Chief Financial Officer certifications for the year ended June 30, 2021 (collectively, the "Annual Filings"). As a result of not filing the Annual Filings by the Filing Deadline, the Company became subject to a cease trade order (the "CTO") issued by the British Columbia Securities Commission (the "BCSC") and the Ontario Securities Commission (the "OSC") that will prohibit the trading in all securities of the Company by securityholders of the Company and will remain in effect until revoked by the BCSC and OSC.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**19. Significant events (Continued)**

(b) On April 11, 2025, Great Virtue Pty Limited, the overseas stockbroker firm in which the Company's Tencent Holdings Limited ordinary shares (the "Listed Securities") were custodied (the "Stockbroker Firm"), was deregistered by the Australian Securities and Investments Commission ("ASIC"). Following the deregistration, the stock brokerage accounts maintained with the Stockbroker Firm, including the account holding the Listed Securities, were frozen. As disclosed in Note 10, the carrying amount of the Listed Securities was S\$47,283,937 which were maintained by the Stockbroker Firm.

In light of the uncertainty surrounding the recovery timeline of the frozen Listed Securities and after considering alternative recovery options, the Company entered into a definitive Asset Swap Agreement (the "Agreement") on December 31, 2025 with an owner of the Stockbroker Firm. Pursuant to the Agreement, the Company swapped its entire holding of the Listed Securities, which had a fair value of approximately S\$56.8 million as at the date of the Agreement, for physical assets comprising mesenchymal stromal cell ("MSC") inventory valued at approximately S\$62.2 million (the "Asset Swap").

(c) On June 30, 2025, the Company entered into a Tripartite Settlement and Debt Offsetting Agreement ("the Agreement") with two Directors of the Company, Dr. In Nany Sing Charlie and Mr. Huang Chuan. Pursuant to the Agreement, the net amounts due to the Directors were offset against dividend income of HK\$2,853,420 held in trust in the name of Mr. Huang Chuan on behalf of the Company.

**RAFFLES FINANCIAL GROUP LIMITED  
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2024**  
(Expressed in Singapore Dollars)

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**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
RAFFLES FINANCIAL GROUP LIMITED**

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**Opinion**

We have audited the consolidated financial statements of Raffles Financial Group Limited and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated statements of financial position as at June 30, 2024 and June 30, 2023, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2024 and June 30, 2023, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**


Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Derecognition of Financial Asset Measured at Amortised Cost and Reclassification to Financial Asset Measured at Fair Value Through Other Comprehensive Income ("FVOCI")**

Refer to Note 9 - Financial assets, at fair value through other comprehensive income ("FVOCI") and Note 10 - Other receivables, prepaid expenses and deposit.

**The key audit matter**

The Company reclassified a deposit amounting to S\$19,019,280, previously measured at amortised cost, to financial assets measured at FVOCI. The reclassification was made following the refund of the deposit in the form of Hong Kong-listed equity shares held under the name of the Chief Executive Officer ("CEO"), who was granted power of attorney to hold the shares in trust in his overseas stock brokerage account on behalf of the Company.

A gain of S\$17,228,141 was recognised in profit or loss on the derecognition of the financial asset previously measured at amortised cost. Additionally, a fair value gain of S\$1,063,893 was recognised in other comprehensive income to reflect the increase in the market value of the equity instrument as at the reporting date. 

We have identified this to be a key audit matter due to the materiality of the transaction that is outside the normal course of business of the Company and the involvement of the CEO in the transaction, which required careful evaluation for potential related party implications.

**How the matter was addressed in our audit**

We performed the following audit procedures, among others:

- Obtaining and reviewing agreements for the arrangement on the refundable deposit;
- Obtaining deposit refund agreement, examining terms of the agreement and assess if the deposit was refunded to the Company;
- Obtaining nominee shareholding agreement, examine terms of the agreement and considered substantive rights of the Company over the Hong Kong-listed equity shares and determined that the shares are held in trust by the CEO;
- Agreeing the number of Hong Kong-listed equity shares held in trust by the CEO to his personal overseas stock brokerage account and obtained third-party broker confirmation; and
- Assessing adequacy and reasonableness of disclosures in the consolidated financial statements.

**Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.



### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Mee Ling.

Kuala Lumpur, Malaysia  
18 June 2025

A handwritten signature in black ink, appearing to read 'Ho Mee Ling'.

HML PLT  
Chartered Accountants

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024 AND 2023  
(Expressed in Singapore Dollars)**

	Note	2024 S\$	2023 S\$
Revenue	6	-	-
Expenses			
Administrative	7	(550,666)	(514,043)
<b>Loss before other items and income tax</b>		(550,666)	(514,043)
<b>Other items</b>			
Other income		8,079	45,184
Borrowing costs	13	(15,745)	(3,308)
(Loss)/Gain on disposal of subsidiary	5	(78,000)	3,461,812
Bad debts		-	(21,059)
Gain arising from the derecognition of financial assets measured at amortised cost	9	17,228,141	-
Foreign exchange gain/(loss)		520,579	(596,242)
<b>Net income before income tax</b>		17,112,388	2,372,344
Income tax expense	8	-	-
<b>Net income for the year</b>		17,112,388	2,372,344
<b>Other comprehensive income/(loss)</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		(584,943)	(1,505, 93
Unrealised gain/(loss) on investments		1,063,893	8)
<b>Other comprehensive income/(loss) for the year, net of tax</b>		478,950	(1,623,411)
<b>Total comprehensive income/(loss) for the year</b>		17,591,338	(757,005)
<b>Net income attributable to:</b>			
Owners of the Company		17,112,388	2,372,344
Non-controlling interest		-	-
<b>Net income for the year</b>		17,112,388	2,372,344

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED****CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2024 AND 2023  
(Expressed in Singapore Dollars)**

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	Note	2024 S\$	2023 S\$
<b>Total comprehensive income/(loss) attributable to:</b>			
Owners of the Company		17,591,338	(757,005)
Non-controlling interest		-	-
<b>Total comprehensive income/(loss) for the year</b>		<u>17,591,338</u>	<u>(757,005)</u>
<b>Basic and diluted earnings per share</b>		<u>0.34</u>	<u>0.05</u>
<b>Weighted average number of common shares outstanding – basic</b>		<u>50,105,000</u>	<u>50,105,000</u>
<b>Weighted average number of common shares outstanding – diluted</b>		<u>50,380,000</u>	<u>50,380,000</u>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2024 AND 2023**  
(Expressed in Singapore Dollars)

	Note	2024 S\$	2023 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets, at FVOCI	9	37,311,314	-
Other receivables, prepaid expenses and deposit	10	5,587	19,184,136
Cash and cash equivalents	11	361	13,619
		<u>37,317,262</u>	<u>19,197,755</u>
<b>TOTAL ASSETS</b>		<u>37,317,262</u>	<u>19,197,755</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payable and accrued liabilities	12	872,249	397,151
Borrowings	13	217,291	164,220
		<u>1,089,540</u>	<u>561,371</u>
<b>TOTAL LIABILITIES</b>		<u>1,089,540</u>	<u>561,371</u>
<b>NET ASSETS</b>		<u>36,227,722</u>	<u>18,636,384</u>
<b>EQUITY</b>			
Share capital	14	25,999,591	25,999,591
Contributed surplus		945,194	945,194
Accumulated other comprehensive income		95,991	(382,959)
Retained earnings		9,186,946	(7,925,442)
<b>TOTAL EQUITY</b>		<u>36,227,722</u>	<u>18,636,384</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>37,317,262</u>	<u>19,197,755</u>

Approved and authorised by the Board on 18 June 2025

Approved on behalf of the Board:

*"Abigail Zhang Liying"*  
Director

*"Charli In Nany Sing"*  
Director

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED JUNE 30, 2024 AND 2023**

(Expressed in Singapore Dollars)

	Note	Number of shares	Share capital S\$	Contributed surplus S\$	Accumulated other comprehensive income/(loss) S\$	Retained earnings S\$	Total equity S\$
<b>Balance as at June 30, 2022</b>		50,105,000	26,099,591	945,194	(5,581,421)	(2,069,975)	19,393,389
Disposal of a subsidiary		-	(100,000)	-	8,327,811	(8,227,811)	-
Change in fair value of FVOCI investments		-	-	-	(1,623,411)	-	(1,623,411)
Foreign currency translation		-	-	-	(1,505,938)	-	(1,505,938)
Net income for the year		-	-	-	8)	2,372,344	2,372,344
<b>Balance as at June 30, 2023</b>		50,105,000	25,999,591	945,194	(382,959)	(7,925,442)	18,636,384
Change in fair value of FVOCI investments		-	-	-	1,063,893	-	1,063,893
Foreign currency translation		-	-	-	(584,943)	-	(584,943)
Net income for the year		-	-	-	-	17,112,388	17,112,388
<b>Balance as at June 30, 2024</b>		50,105,000	25,999,591	945,194	95,991	9,186,946	36,227,722

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2024 AND 2023**  
(Expressed in Singapore Dollars)

	Note	2024 S\$	2023 S\$
<b>Cash flows provided by operating activities</b>			
Net income for the year		17,112,388	2,372,344
Adjustment for:			
- Bad debts		-	21,059
- Borrowing costs		15,745	3,308
- Gains arising from the derecognition of financial assets measured at amortised cost		(17,228,141)	-
- Foreign exchange (gain)/loss		(520,579)	596,242
- Loss/(Gain) on disposal of subsidiary	5	78,000	(3,461, 81 2)
<b>Operating cash flow before changes in working capital</b>		(542,587)	(468,859)
Changes in working capital:			
-Other receivables, prepaid expenses and deposit		610,965	8,711,595
-Other payable and accrued liabilities		465,983	(7,098, 86 1)
-Tax paid		-	(12,000)
<b>Net cash provided by operating activities</b>		534,361	1,13 1,87 5
<b>Cash flows provided by investing activities</b>			
Investment in subsidiary		-	(100)
Cash inflow from acquisition of subsidiary		-	212
Sale proceeds from disposal of subsidiary		-	100
<b>Net cash provided by investing activities</b>		-	212
<b>Cash flows provided by financing activity</b>			
Proceeds from borrowings		37,326	160,912
<b>Net cash provided by financing activity</b>		37,326	160,912
Effect of foreign exchange on cash		(584,945)	(1,506, 10 9)
<b>Net decrease in cash</b>		(13,258)	(213,110)
<b>Cash</b>			
Cash, beginning of year		13,619	226,729
<b>Cash, end of year</b>		<u>361</u>	<u>13,619</u>

*The accompanying notes form an integral part of these consolidated financial statements*

## RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

### CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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#### 1. General information

Raffles Financial Group Limited (the "Company") was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011. The head office of the Company is located at 3 Shenton Way, #11-1H Shenton House, Singapore, 068805. The principal activity of the Company is the provision of corporate finance advisory services.

On April 29, 2020, the Company changed its corporate jurisdiction from British Columbia to the Cayman Islands. The Company's common shares are listed on Canadian Securities Exchange under symbol "RICH". The trading in the Company's common shares was suspended effective from January 6, 2022 by a cease trade order issued by the Ontario and British Columbia Securities Commission.

The Company's only subsidiary, Asia Oaktree Financial Private Limited ("AOF") which operated in Singapore, was deregistered during the financial year ended June 30, 2024.

The principal activities of the subsidiary are disclosed in Note 3.1 to the consolidated financial statements.

For the purposes of these consolidated financial statements, the "Company" is defined as the consolidated entity.

These consolidated financial statements for the year ended June 30, 2024 and 2023 were authorised for issuance by the Board of Directors on 18 June 2025.

#### 2. Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the material accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar ("S\$"). The functional currency of the parent company is the Canadian Dollar ("C\$"), the functional currency of Asia Oaktree Financial Private Limited is the S\$.

*New and amended standards*

In the current financial year, the Company has adopted all the amendments that are relevant to its operations and effective for the current financial year. Except as described below, adoption of these amendments in the current financial year had no impact on the Company's consolidated financial statements.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**2. Basis of preparation (Continued)**

***Disclosure of Accounting Policies***

**(Amendments to IAS 1 and IFRS Practice Statement 2)**

The Company has applied the amendments for the first time in the current year. IAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The Company also adopted amendments to MFRS 101, *Presentation of Financial Statements* and MFRS Practice Statement 2 - *Disclosures of Accounting Policies* from January 1, 2023. The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Although the amendments did not result in any changes to the Company's accounting policies, it impacted the accounting policy information disclosed in the financial statements. The material accounting policy information is disclosed in the respective notes to the financial statements where relevant.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

IFRS Practice Statement 2 *Making Materiality Judgments* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has no material impact on the Company's financial positions and performance but has affected the disclosure of the Company's accounting policies set out in this Note 3 to the consolidated financial statements.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**2. Basis of preparation (Continued)**

*Standards issued but not yet effective*

The Company has not early applied the following new and amended standards that have been issued but are not yet effective:

<b>Title</b>	<b>Effective date (annual periods beginning on or after)</b>
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	January 1, 2024
<i>Non-current Liabilities with Covenants</i> (Amendments to IAS 1)	January 1, 2024
<i>Lease Liability in a Sale and Leaseback</i> (Amendments to IFRS 16)	January 1, 2024
<i>Supplier Finance Arrangements</i> (Amendments to IAS 7 and IFRS 7)	January 1, 2024
<i>Lack of Exchangeability</i> (Amendments to IAS 21)	January 1, 2025
<i>Amendments to the Classification and Measurement of Financial Instruments</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
<i>Annual Improvements to IFRS Accounting Standards—Volume 11</i>	January 1, 2026
<i>Contracts Referencing Nature-dependent Electricity</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	January 1, 2027
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to IFRS 10 and IAS 28)	Deferred

The Company intends to adopt these new and amended standards, if applicable, when they become effective. Except as described below, the new and amended standards are not expected to have a material impact on the Company's consolidated financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**3. Material accounting policy information**

**3.1 Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, Asia Oaktree Financial Private Limited acquired on December 16, 2022 (which was deregistered on December 27, 2023). All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Particulars of subsidiary is set out below:

<b>Name of subsidiary Held directly by the Company</b>	<b>Country of incorporation/ Principal place of business</b>	<b>Effective equity interest held by the Company (%)</b>		<b>Principal activities</b>
		<b>2024</b>	<b>2023</b>	
Asia Oaktree Financial Private Limited ("AOF")	Singapore	-	100	Provision of corporate finance advisory services

Subsidiaries are entities (including structured entities) (i) over which the Company has power and the Company is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from then through its involvement with them.

The Company reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Company has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Company up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the amended consolidated financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Company.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Material accounting policy information (Continued)**

**3.1 Basis of consolidation (Continued)**

Non-controlling interests are identified separately from the Company's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of income reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statements of income.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Material accounting policy information (Continued)**

**3.2 Leases**

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed. The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

**3.3 Cash**

Cash consists of unrestricted bank deposits, some of which are interest-bearing.

**3.4 Financial instruments**

The classification of a financial asset or liability is determined at the time of initial recognition. The Company does not enter into derivative contracts.

*(i) Financial assets*

A financial asset is recognised when the Company has the contractual right to collect future cash flows. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recorded at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Cash is initially recorded at their fair value and carried at amortised cost.

Trade and other receivables are initially recorded at their fair value, less transaction costs and subsequently carried at amortised cost using the effective interest method less impairment losses, if any.

Investments in equity instruments, where the Company cannot exert significant influence and the investments are not held for trading purpose, are reclassified as FVOCI.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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3. Material accounting policy information (Continued)

3.5 Financial instruments (Continued)

Impairment of financial assets The Company recognises a loss allowance by applying the expected credit losses ("ECL") model on the Company's financial assets carried at amortised cost. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets, other than those at FVTPL and amortised cost, are assessed for indicators of impairment at each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

De-recognition of financial assets

A financial asset is derecognised when the contractual right to the asset's cash flows expire or the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

*(ii) Financial liabilities*

The Company classifies its financial liabilities in the following category: Amortised cost A

financial liability is recognised when the Company has the contractual obligation to pay future cash flows. Financial liabilities such as accounts payable and accrued liabilities are recognised at amortised cost using the effective interest rate method.

Accounts payable and accrued liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

*(iii) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Material accounting policy information (Continued)**

**3.6 Income taxes**

Current income tax for current period is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax shall be recognised as income or an expense and included in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity, or a business combination.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Material accounting policy information (Continued)**

**3.7 Currency translation**

*(i) Functional and presentation currency*

The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar ("S\$"). The functional currency of the parent company is the Canadian Dollar ("C\$"), the functional currency of Asia Oaktree Financial Private Limited is the S\$.

*(ii) Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

*(iii) Foreign operations*

On consolidation, the assets and liabilities of foreign operations are translated into Singapore dollars at the exchange rate prevailing at the reporting period end and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in earnings and recognised as part of the gain or loss on disposal.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Material accounting policy information (Continued)**

**3.8 Share capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new common shares are deducted against the share capital amount.

**3.9 Earnings per share**

Basic earnings or loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is calculated by adjusting the earnings or loss attributable to equity shareholders and the weighted average of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**3.10 Share-based payments**

The Company uses the fair value based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of equity settled share-based compensation issued to employees is measured on the date of grant, using the Black-Scholes option pricing model and is recognised over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. In situations where equity settled share-based compensation are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of the goods or services received.

**3.11 Dividends to Company's shareholders**

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**4. Critical accounting judgments and estimates**

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management's judgment and estimates relate to the determination of income taxes and inputs used in accounting for share-based compensation. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

Estimates

~~Income taxes~~ - Tax interpretations, regulations and legislation are subject to change and as such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the probability that they will be realised from future taxable earnings.

Expected credit losses - Trade and other receivables are assessed for impairment at each reporting date by applying the expected credit loss impairment model. Expected credit loss represents management's best estimate and assumptions based on actual credit loss experience and also takes into consideration forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**5. Acquisitions and disposals of subsidiary**

The Company had the following subsidiary corporations as at June 30, 2024 and 2023:

Name of company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company	
			2024 %	2023 %
AsiaOaktree Financial Private Limited ("AOF") (a)	Provision of corporate finance advisory services	Singapore	-	100

*(a) Acquisition and disposal of Asia Oaktree Financial Private Limited ("AOF")*

On November 4, 2022, the Company's wholly owned subsidiary, Raffles Financial Private Limited ("RFPL") entered into a share purchase agreement with Mr. Huang Chuan to acquire 100% interest in Raffles Financial Technology (Asia) Private Limited (subsequently changed its name to Asia Oaktree Financial Private Limited ("AOF")), a Singapore-based company at a cash consideration of S\$100 and a performance-based consideration payable either in:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of RFPL on a post-transaction basis, shall the AOF delivers an audited net profit after tax ("NPAT") for the financial year ending December 31, 2023 of S\$10,000,000; or
- (ii) a share consideration of ten times of the AOF's NPAT for the financial year ending December 31, 2023 payable in the shares of the Company valued at C\$3.30 per shares at a cap of 30,303,030 shares.

The performance-based consideration is subject to Company's shareholders and/or relevant authorities' approval.

The share transfer was completed on December 16, 2022. RFPL assigned the Company to own the shares on the same date under a mutual agreement with Mr Huang Chuan. As of June 30, 2023, no performance-based consideration was paid as AOF did not achieve a positive NPAT.

On December 1, 2023, Mr. Huang Chuan, Oaktree International Financial Limited ("OIF"), AOF, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in AOF under the original share purchase agreement ("Original Agreement") dated November 4, 2022 to the Company, and to supersede the original target corporation, AOF by a new target Hong Kong-based company, OIF. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement and to be bound by its terms in every way as if it were named in the Original Agreement in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

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**5. Acquisitions and disposals of subsidiary (Continued)**

*(a) Acquisition and disposal of Asia Oaktree Financial Private Limited ("AOF") (Continued)*

The Company has a right to choose the payment form of a performance consideration to Mr. Huang Chuan in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall OIF deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of OIF's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

The acquisition was not affected and completed as of June 30, 2024 as the purchase and sale of the OIF's shares had not been executed between the Company and Mr. Huang Chuan.

Subsequently, the Company made a striking-off application for AOF to the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") and it was approved on December 27, 2023 under Section 344A of the Companies Act. As a result, the Company was deregistered and struck off from the register of ACRA. There was a loss on deregistration of S\$78,000 recorded by the Company during the current financial year.

Summary of the effect of disposal on the financial position and cash flows of the Company:

	<b>S\$</b>
Other receivable	78,000
Net assets in AOF as at December 27, 2023	<u>78,000</u>
Consideration received	-
Loss recognised on disposal of AOF	<u>78,000</u>

**6. Revenue**

The Company did not derive any revenue from the rendering of services during the financial year ended June 30, 2024 and 2023.

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**7. Administrative expenses by nature**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Audit fee		
- current year	29,739	-
- prior years	168,521	-
Contract for services	143,266	157,515
Director fees	179,082	214,008
Office expenses	5,437	68,851
Professional fees	-	21,469
Transfer agent and regulator fees	24,621	20,302
Other expenses	-	31,898
<b>Total administrative expenses</b>	<u>550,666</u>	<u>514,043</u>

**8. Income tax**

The Cayman Islands and Singapore components of loss before income taxes and provision for income taxes were as follows:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Income/(Loss) before income taxes		
Cayman Islands	17,108,783	2,594,702
Singapore	3,605	<u>(222,358)</u>
	<u>17,112,388</u>	<u>2,372,344</u>

The following table reconciles the expected income taxes expense at the statutory income tax rate to the amounts recognised in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2024 and June 30, 2023:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Net income before tax	17,112,388	2,372,344
Statutory tax rate	0.00%	0.00%
Expected income tax	<u>0.00</u>	<u>0.00</u>
Difference in foreign jurisdiction tax rates	613	(37,801)
Non-deductible items	-	37,801
Income not subject to tax	(613)	-
<b>Total tax expense</b>	<u>-</u>	<u>-</u>

The Company's jurisdiction is the Cayman Islands, where the statutory tax rate is 0%.

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**9. Financial assets, at fair value through other comprehensive income ("FVOCI")**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
<i>Investment in equity designated at FVOCI</i>		
Listed securities:		
Tencent Holdings Limited ("THL")	<u>37,311,314</u>	<u>-</u>

During the financial year, the Company obtained 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange, pursuant to a deposit refund agreement as disclosed in Note 10. The shares are held under the name of the Company's Chief Executive Officer ("CEO"), who was granted power of attorney to hold the shares in trust in his overseas stock brokerage account on behalf of the Company pursuant to a nominee shareholding agreement as disclosed in Note 10. The management had made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of this investment as the investment is not held for trading.

The fair value of the shares at the date of reclassification was S\$36,247,421, resulting in a gain of S\$17,228,141 recognised in profit or loss on the derecognition of the financial asset previously measured at amortised cost.

As at June 30, 2024, the fair value of the investment increased by S\$1,063,893, which was recognised in other comprehensive income and accumulated in the FVOCI reserve within equity.

**10. Other receivables, prepaid expenses and deposit**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Other receivables - Non related parties		
- Non related parties	99	78,102
Less: Loss allowance	-	-
	99	<u>78,102</u>
- Related party	-	-
	-	<u>78,102</u>
Prepaid expenses	5,488	8,908
Deposit*	-	<u>19,097,126</u>
	<u>5,587</u>	<u>19,184,136</u>

\*Right-to-Use agreement with HuDuoBao Network Technology Co., Ltd.

On May 20, 2021, the Company entered into a Memorandum of Understanding (the "MOU") to acquire 100% HuDuoBao Network Technology Co., Ltd. ("HDB"). For consideration, the Company made a refundable deposit of RMB 102,000,000 (the "Deposit") for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment.

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**10. Other receivables, prepaid expenses and deposit (Continued)**

In December 2021, the Company entered into a cloud-based system right-to-use agreement ("SaaS Agreement") with HDB to license the Company and its agent(s) a right to use HDB's cloud-based emails, cashless payment Apps, POS system, payment gateways, point-of-sale systems, customer-merchant relationship management, order fulfillment linkage, supply chain and logistic link way, procurement & distribution, accounting & reporting generation in 30 defined provinces and cities in China ("Right-to-Use") to provide e-commerce integrated solution to merchants. Pursuant to the agreement, the Right-to-Use is on a period of 3 years for a monthly fee of RMB 2,500,000 which can be offset from the Deposit through the utilisation of the Right-to-Use service. However, the Right-to-Use service had not subsequently commenced due to a force majeure situation, where China's authorities accelerated efforts in mass locking down several major cities in China in light of the surging COVID-19 Omicron variant case that hindered HDB and the Company's management to perform the agreement in China. In June 2022, HDB and the Company mutually agreed to an assignment of the SaaS Agreement to a third party in China whereby HDB shall return the deposit in the amount of RMB 102,000,000 (equivalent to S\$19,019,280 as of June 30, 2024 (S\$19,097,126 as of June 30, 2023)) to the Company pursuant to the MOU. In light of the foreign exchange control in China which restricts refund of the Deposit being held by HDB 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. HDB had 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. On March 12, 2024, the Company entered into a deposit refund agreement ("Refund Agreement") whereby the equivalent amount of the Deposit was refunded in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange. On the same date, the Company entered into an nominee share holding agreement with Chief Executive Officer ("CEO") of the Company, Mr. Huang Chuan, whereby the CEO is granted power of attorney to hold the share of Tencent Holdings Limited in trust in his overseas stock brokerage account on behalf of the Company. As a result of the Refund Agreement, the deposit was refunded during the year in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.

**11. Cash and cash equivalents**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Bank balances	361	13,619
Cash and cash equivalents in the consolidated statements of financial position and cash flows	361	13,619
	<u>361</u>	<u>13,619</u>

The currency profile of the Company's cash and cash equivalents is as follows:

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollar	-	11,290
United States Dollar	262	355
Canadian Dollar	99	1,974
	<u>361</u>	<u>13,619</u>

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**12. Other payable and accrued liabilities**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Accrued liabilities	853,196	386,597
Amount due to Directors	19,053	10,554
	<u>872,249</u>	<u>397,151</u>

Amounts due to Directors are unsecured, interest-free and repayable on demand.

**13. Borrowings**

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Short-term borrowings – Non related party	<u>217,291</u>	<u>164,220</u>

On January 1, 2023, the Company's wholly owned subsidiary, AOF, entered into a convertible bond agreement with an independent third party (the "Lender"). Under the agreement, the Lender agreed to provide AOF with an unsecured, interest-bearing loan facility of up to C\$2,000,000, with each drawdown carrying a one-year maturity term and an interest rate of 8% per annum.

On December 1, 2023, AOF, the Lender, and the Company entered into an assignment agreement (the "Assignment"), pursuant to which all parties agreed to transfer all rights, obligations, and outstanding drawdowns under the original convertible bond agreement from AOF to the Company within 30 days from the signing date. As a result, the Company became the new borrower, assuming AOF's position under the loan agreement. As of the date of the Assignment, the principal amount of the loan drawn and transferred was S\$198,238.

During the current financial year, the Company and the Lender agreed to extend the maturity of the loan to June 30, 2025. The extended loan remains unsecured and carries an interest rate of 8% per annum.

In accordance with the terms of the convertible bond agreement, the Lender has the right to convert all or part of the outstanding loan balance into new ordinary shares of the Company at an exercise price of C\$2.60 per share, at any time during the term of the loan. However, the total number of shares to be issued upon conversion shall not exceed 30% of the Company's enlarged share capital. The conversion right is subject to the approval of the Company's shareholders and the relevant Canadian regulatory authorities.

As of June 30, 2024, the required approvals had not been obtained. Accordingly, no equity component has been recognised for the conversion feature of the loan as of that date.

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14. Share capital

	Number of common shares	S\$
<b>Balance at June 30, 2022</b>	50,105,000	26,099,591
Disposal of subsidiary	<u>-</u>	<u>(100,000)</u>
<b>Balance at June 30, 2023 and June 30, 2024</b>	<u>50,105,000</u>	<u>25,999,591</u>

The authorised share capital of the Company is 5,000,000,000 common shares without par value.

**Stock options**

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

On May 11, 2020, the Company issued 300,000 stock options with an exercise price of C\$5.00 per share, at a fair value of C\$1,019,754. These stock options are subject to vesting provisions such that 25% of the options vest three months from the date of grant, 25% of the stock options vest six months from the date of grant, 25% of the stock options vest nine months from the date of grant and 25% of the stock options vest twelve months from the date of grant. The fair value per option was C\$3.40. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, a risk-free rate of 0.38%, a forfeiture rate of 0%, and volatility of 100%.

During the year ended June 30, 2024 and June 30, 2023, the Company recorded no share-based compensation in relation to these stock options.

	Number of options	Exercise price C\$	Expiry date
<b>Balance exercisable at June 30, 2022, 2023 and 2024</b>	<u>275,000</u>	<u>5.00</u>	May 11, 2025

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**15. Related party transactions**

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Company and related party at terms agreed between the parties. Related party refers to the Company which is controlled by the Company's directors and their close family members.

*Key management personnel compensation*

Transaction entered into between the related parties and the Company

	<b>2024</b>	<b>2023</b>
	<b>S\$</b>	<b>S\$</b>
Director fees	179,082	214,008

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the fair value, which is the amount of consideration established and agreed to by the related parties.

**16. Segmental information**

	Singapore	United States	Hong Kong	China	Canada	Total
	S\$	S\$	S\$	S\$	S\$	S\$
<b>As at June 30, 2024</b>						
Cash	-	262	-	-	99	361
Current assets and total assets	-	262	37,311,314	-	5,686	37,317,262
<b>As at June 30, 2023</b>						
Cash	11,290	355	-	-	1,974	13,619
Current assets and total assets	89,290	355	-	19,097,126	10,984	19,197,755

**Segment assets**

Segment assets has been based on the geographic location of the assets.

**Segment liabilities**

~~Segment liabilities~~ information is not included in the internal management reports. Hence, no disclosures are made on segment liabilities.

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17. Financial instruments and financial risk management

**Classification of financial instruments:**

	2024 S\$	2023 S\$
<u>Financial assets</u>		
Financial assets, at FVOCI	37,311,314	-
Other receivables and deposit	99	19,175,228
Cash and cash equivalents	361	13,619
	<u>37,311,774</u>	<u>19,188,847</u>
<u>Financial liabilities</u>		
Other payable and accrued liabilities	872,249	397,151
Borrowings	217,291	164,220
	<u>1,089,540</u>	<u>561,371</u>

**Financial risks factors**

The Company's activities expose it to credit risk, liquidity risk, currency risk, equity price risk and capital risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance. The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. This includes establishing detailed policies such as risk identification, measurement and exposure limits.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits and trade and other receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

Cash are placed with banks and financial institutions with high credit-ratings assigned by international credit rating agencies. Trade receivables are substantially companies with a good collection track record.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments present on the statement of financial position.

The Company has applied the simplified approach to measure the lifetime expected credit losses for trade receivables.

In measuring the expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company has considered the customers' available credit history and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

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17. Financial risk management (Continued)

***Financial risks factors (Continued)***

(a) *Credit risk (Continued)*

The Company performs ongoing reviews on the collectability of its trade receivables in order to mitigate any potential credit losses. The definition of trade receivables that are past due is determined by reference to terms agreed upon with individual customers. No trade receivables have been challenged by the respective customers and the Company continues to conduct business with them on an ongoing basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as counterparty failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Based on management assessment, cash and receivables as at June 30, 2024 are not subject to any material credit losses.

*Liquidity risk*

(b)

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operating commitments. As at June 30, 2024, all the financial liabilities of the Company are due within 12 months. Balance due within 12 months equal their carrying amounts as the impact of discounting is not significant.

(c) *Currency risk*

The functional currency is C\$ for the Company and S\$ for AOF. The Company is exposed to currency risk primarily through its cash balances and equity investments classified as financial assets at fair value through other comprehensive income ("FVOCI"), which are denominated in foreign currencies. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk related to these financial assets, at FVOCI is currently considered significant.

Foreign currency risk sensitivity analysis

	Base Value	Strengthening (+5%)	Weakening (-5%)	Impact (+5%)	Impact (-5%)
	S\$	S\$	S\$	S\$	S\$
Hong Kong Dollar	37,311,314	39,176,880	35,445,748	1,865,566	(1,865,566)

As at June 30, 2024, the Company held foreign currency financial assets, at FVOCI totalling S\$37,311,314. A 5% strengthening or weakening of the Singapore Dollar against the respective foreign currencies would have resulted in a decrease or increase in the value of these balances by approximately S\$1,865,566. This analysis assumes that all other variables remain constant.

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17. Financial risk management (Continued)

***Financial risks factors (Continued)***

(d) *Equity price risk*

The Company is exposed to equity price risk arising from its investments in quoted equity instruments which are classified as financial assets at FVOCI. The Company has a concentration of equity price risk due to one investment worth the whole amount of its portfolio.

Equity price risk arises from fluctuations in the market prices of these shares due to market volatility, changes in investor sentiment, and specific performance of the investee companies. The risk is managed through regular monitoring of the investment portfolio, diversification where applicable, and adherence to established investment policies.

At the reporting date, if the market prices of the quoted equity investments had increased or decreased by 10%, with all other variables held constant, the Company's other comprehensive income would have increased or decreased by approximately S\$3,731,131 (2023: Nil), mainly as a result of changes in the fair value of quoted equity investments.

(e) *Capital risk*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares. The Company is not subject to any externally imposed capital requirements.

(f) *Fair value measurements*

Fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).  
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of current financial assets and liabilities other than the investment approximate their carrying amounts due to the short term nature.

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(Expressed in Singapore Dollars)

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**17. Financial risk management (Continued)**

***Financial risks factors (Continued)***

*(f) Fair value measurements (Continued)*

The equity investments at FVOCI include shares in publicly traded companies listed on a stock exchange. The fair value of equity investments at FVOCI is determined based on a market approach reflecting the closing price of each particular security at the consolidated financial position date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore equity investments at FVOCI are classified within Level 1 of the fair value hierarchy.

**18. Significant events**

(a) On December 21, 2021, the Company entered into a share purchase agreement to acquire all of the outstanding share capital of Dayou Investment Limited ("DI"), a Hong Kong-based company supplying various B2B computing hardware and software to clients in Hong Kong, Vietnam, Thailand, Malaysia and Indonesia. Subject to prior approval of the Canadian Securities Exchange, the Company shall complete the acquisition of DI for the purchase price of S\$100 (C\$93.71). Subsequent to the closing of the purchase of DI, the Vendors of DI shall be entitled to a performance-based payment equal to ten times DI's audited net profit after tax for the financial periods ended December 31, 2022, payable in the Company's shares valued at C\$10 per share.

However, such share transaction was not completed nor been taken into effect due to the fact that the condition precedent of the transaction was not fulfilled in light of a cease trading order in place and failure to commence the proposed business in China due to the prolong COVID-19 pandemic. Subsequently on October 31, 2022, both parties entered into a termination and mutual release agreement from the share purchase agreement with an independent party.

Before reaching the decision of termination and mutual release from the share purchase agreements, the Company had been in negotiation with a potential Chinese corporate finance expert, Mr. Xu Zhiyang who had expressed his interest in collaboration with the Company in the form of contributing profit to the Company in exchange for a performance-based reward in a stake form based on future earnings.

In order to achieve such collaboration, Mr. Xu Zhiyang had taken over 100% interests in DI upon the aforesaid termination. Then on November 4, 2022, Mr. Xu Zhiyang entered into share purchase agreement with RFPL, pursuant to which:

- (i) RFPL shall acquire all of the outstanding share capital of and DI (subsequently changed its name to Raffles Financial Technology (China) Limited ("RFTC")) at a consideration of S\$100 (C\$96);
- (ii) subject to the Company's shareholders and necessary approval from relevant authorities, Mr. Xu Zhiyang shall be entitled to a performance-based payment payable in terms of:
  - a) a share consideration equivalent to 25% of the interest in the total issued shares capital of RFPL on a post-transaction basis, shall the RFTC delivers an audited net profit after tax ("NPAT") for the financial year ending December 31, 2023 of S\$10,000,000; or
  - b) a share consideration of ten times of the RFTC's NPAT for the financial year ending December 31, 2023 payable in the shares of the Company valued at C\$3.30 per shares at a cap of 30,303,030 shares.

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**18. Significant events (Continued)**

(a) On July 31, 2023, Mr. Xu Zhiyang, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in RFTC under the original share purchase agreement ("Original Agreement 1") dated November 4, 2022 to the Company as the new purchaser of RFTC. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 1 and to be bound by its terms in every way as if it were named in the Original Agreement 1 in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Xu Zhiyang in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall RFTC deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or a share consideration of twelve times of RFTC's audited net profit after tax for the financial year ending December 31, 2024
- (ii) payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

On August 28, 2024, 100,000 shares representing 100% interest in RFTC (subsequently changed its name to Oaktree Financial Limited ("OFHK")) was transferred to the Company from Mr. Xu Zhiyang, representing that the acquisition pursuant to the novation agreement dated July 31, 2023 was affected. No performance-based consideration was paid as OFHK did not achieve a positive NPAT.

(b) On August 28, 2024, 100 shares representing 100% interest in OIF was transferred to the Company from Mr. Huang Chuan, representing that the acquisition pursuant to the novation agreement dated December 1, 2023 as disclosed in Note 5(a) was affected. No performance-based consideration was paid as OIF did not achieve a positive NPAT.

(c) On November 1, 2021, the Company announced that it will miss its filing deadline of October 28, 2021 (the "Filing Deadline"), to file its audited annual financial statements and accompanying management's discussion and analysis and related Chief Executive Officer and Chief Financial Officer certifications for the year ended June 30, 2021 (collectively, the "Annual Filings"). As a result of not filing the Annual Filings by the Filing Deadline, the Company became subject to a cease trade order (the "CTO") issued by the British Columbia Securities Commission (the "BCSC") that will prohibit the trading in all securities of the Company by securityholders of the Company and will remain ineffect until revoked by the BCSC.

**RAFFLES FINANCIAL GROUP LIMITED  
AND ITS SUBSIDIARIES**

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**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
RAFFLES FINANCIAL GROUP LIMITED**

HML PLT  
LLP0004524-LCA & 201504000748  
CHARTERED ACCOUNTANTS AF 002152  
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Desa Aman Puri  
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**Opinion**

We have audited the consolidated financial statements of Raffles Financial Group Limited and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated statements of financial position as at June 30, 2023 and June 30, 2022, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2023 and June 30, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Recoverability of Deposits**

Refer to Note 11 – Other receivables, prepaid expenses and deposits

**The key audit matter**

The Company recorded deposits of S\$19,097,126 for the year ended June 30, 2023 which is material and may not be directly tied to routine operational transactions.

We have identified the deposits as key audit matter due to the materiality of the balances and the subjective nature of accessing the recoverability of this area involves significant management judgment, particularly in evaluating the credit risk of counterparties, commercial substance of arrangements, and the timing and probability of recovery.



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**How the matter was addressed in our audit**

We performed the following audit procedures, among others:

- Obtaining and reviewing agreements for the arrangement on the refundable deposit;
- Obtaining deposit refund agreement, examining terms of the agreement and assess if the deposit was refunded to the Company;
- Obtaining nominee shareholding agreement, examine terms of the agreement and considered substantive rights of the Company over the Hong Kong-listed equity shares and determined that the shares are held in trust by the CEO;
- Agreeing the number of Hong Kong-listed equity shares held in trust by the CEO to his personal overseas stock brokerage account and obtained third-party broker confirmation; and
- Assessing adequacy and reasonableness of disclosures in the consolidated financial statements.

**Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Mee Ling.

Kuala Lumpur, Malaysia  
18 June 2025



HML PLT  
Chartered Accountants

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023 AND 2022**  
 (Expressed in Singapore Dollars)

	Note	2023 S\$	2022 S\$
Revenue	6	-	-
Expenses			
Administrative	7	(514,043)	(1,460,345)
<b>Loss before other items and income tax</b>		<b>(514,043)</b>	<b>(1,460,345)</b>
<b>Other items</b>			
Other income	8	45,184	27,905
Borrowing costs	14	(3,308)	-
Gain on disposal of subsidiaries	5	3,461,812	1,048,359
Bad debts		(21,059)	(3,447,227)
Foreign exchange (loss)/gain		(596,242)	53,210
<b>Net income/(loss) before income tax</b>		<b>2,372,344</b>	<b>(3,778,098)</b>
Income tax expense	9	-	(180,920)
<b>Net income/(loss) for the year</b>		<b>2,372,344</b>	<b>(3,959,018)</b>
<b>Other comprehensive loss</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		(1,505, 93	(109,175)
Unrealised loss on investments		8)	(4,639,464)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(1,623,411)</b>	<b>(4,748,639)</b>
<b>Total comprehensive loss for the year</b>		<b>(757,0 05)</b>	<b>(8,707,657)</b>
<b>Net income/(loss) attributable to:</b>			
Owners of the Company		2,372,344	(4,003,521)
Non-controlling interest		-	44,503
<b>Net income/(loss) for the year</b>		<b>2,372,344</b>	<b>(3,959,018)</b>
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(757,0 05)	(8,752,160)
Non-controlling interest		-	44,503
<b>Total comprehensive loss for the year</b>		<b>(757,0 05)</b>	<b>(8,707,657)</b>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2023 AND 2022**  
(Expressed in Singapore Dollars)

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	Note	2023 S\$	2022 S\$
Basic and diluted earnings/(loss) per share		0.05	(0.08)
Weighted average number of common shares outstanding – basic		50,105,000	50,105,000
Weighted average number of common shares outstanding – diluted		50,380,000	50,380,000

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2023 AND 2022**  
(Expressed in Singapore Dollars)

	Note	2023 S\$	2022 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets, at FVOCI	10	-	3,090,268
Other receivables, prepaid expenses and deposits	11	19,184,136	21,253,048
Cash and cash equivalents	12	13,619	226,729
		<u>19,197,755</u>	<u>24,570,045</u>
<b>TOTAL ASSETS</b>		<u>19,197,755</u>	<u>24,570,045</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payable and accrued liabilities	13	397,151	959,385
Borrowings	14	164,220	-
Current income tax liabilities		-	2,109,290
		<u>561,371</u>	<u>3,068,675</u>
<b>Non-current liabilities</b>			
Deferred income tax liabilities	9	-	2,107,981
<b>Total liabilities</b>		<u>561,371</u>	<u>5,176,656</u>
<b>NET ASSETS</b>		<u>18,636,384</u>	<u>19,393,389</u>
<b>EQUITY</b>			
Share capital	15	25,999,591	26,099,591
Contributed surplus		945,194	945,194
Accumulated other comprehensive income		(382,959)	(5,581, 42
Retained earnings		(7,925,442)	1)
<b>TOTAL EQUITY</b>		<u>18,636,384</u>	<u><del>19,069,976</del></u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>19,197,755</u>	<u>24,570,045</u>

Approved and authorised by the Board on 18 June 2025

Approved on behalf of the Board:

*"Abigail Zhang Liying"*  
Director

*"Charlie Nany Sing"*  
Director

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED JUNE 30, 2023 AND 2022**

(Expressed in Singapore Dollars)

	Note	Number of shares	Share capital S\$	Contributed surplus S\$	Accumulated other comprehensive loss S\$	Retained earnings S\$	Non-controlling interests S\$	Total equity S\$
<b>Balance as at June 30, 2021</b>		50,105,000	26,099,591	945,194	(832,782)	(481,806)	(756)	25,729,441
Disposal of subsidiaries		-	-	-	-	36,146	(43,747)	(7,601)
Disposal of investments		-	-	-	(20,757)	-	-	(20,757)
Reclassification on disposal of investments		-	-	-	(26,418)	26,418	-	-
Change in fair value of FVOCI investments		-	-	-	(4,592,289)	-	-	(4,592,289)
Foreign currency translation		-	-	-	(109,175)	-	-	(109,175)
Acquisition of subsidiaries		-	-	-	-	2,352,788	-	2,352,788
Net loss for the year		-	-	-	-	(4,003,521)	44,503	(3,959,018)
<b>Balance as at June 30, 2022</b>		50,105,000	<del>26,099,591</del>	945,194	(5,581,421)	(2,069,975)	-	19,393,389
Disposal of a subsidiary		-	-	-	8,327,811	(8,227,811)	-	-
Change in fair value of FVOCI investments		-	(100,000)	-	(1,623,411)	-	-	(1,623,411)
Foreign currency translation		-	-	-	(1,505,938)	-	-	(1,505,938)
Net income for the year		-	-	-	-	2,372,344	-	2,372,344
<b>Balance as at June 30, 2023</b>		50,105,000	25,999,591	945,194	(382,959)	(7,925,442)	-	18,636,384

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2023 AND 2022  
(Expressed in Singapore Dollars)**

	Note	2023 S\$	2022 S\$
<b>Cash flows provided by operating activities</b>			
Net income/(loss) for the year		2,372,344	(3,959,018)
Adjustment for:			
- Bad debts		21,059	3,447,227
- Borrowing costs		3,308	-
- Income tax expense		-	180,920
- Foreign exchange loss/(gain)		596,242	(53,210)
- Gain on acquisition of subsidiaries		-	(11,891)
- Gain on disposal of subsidiaries	5	(3,461, 81 2)	(1,048,359)
- Gain on disposal of equity investment		-	(18)
<b>Operating cash flow before changes in working capital</b>		(468,859)	(1,444,349)
Changes in working capital:			
- Other receivables, prepaid expenses and deposits		8,711,595	8,010,657
- Accounts payable and accrued liabilities		(7,098,861)	(6,836,498)
- Tax paid		(12,000)	(55,000)
<b>Net cash provided by/(used in) operating activities</b>		1,131,875	(325,190)
<b>Cash flows provided by investing activities</b>			
Investment in subsidiary	5	(100)	-
Cash inflow from acquisition of subsidiary		212	-
Sales proceeds from disposal of subsidiaries	5	100	39
Sales proceeds from disposal of equity investment measured at FVOCI		-	37,740
<b>Net cash provided by investing activities</b>		212	37,779
<b>Cash flows provided by financing activity</b>			
Proceeds from borrowings		160,912	-
<b>Net cash provided by financing activity</b>		160,912	-
Effect of foreign exchange on cash		(1,506,109)	(115,715)
<b>Net decrease in cash</b>		(213,110)	(403,126)
<b>Cash</b>			
Cash, beginning of year		226,729	629,855
<b>Cash, end of year</b>		<u>13,619</u>	<u>226,729</u>

*The accompanying notes form an integral part of these consolidated financial statements*

## RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

### CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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#### 1. General information

Raffles Financial Group Limited (the "Company") was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011. The head office of the Company is located at 3 Fraser Street, #08-21, Singapore, 189352. The principal activity of the Company is the provision of corporate finance advisory services.

On April 29, 2020, the Company changed its corporate jurisdiction from British Columbia to the Cayman Islands. The Company's common shares are listed on Canadian Securities Exchange under symbol "RICH". The trading in the Company's common shares was suspended effective from January 6, 2022 by a cease trade order issued by the Ontario and British Columbia Securities Commission.

The Company's subsidiary currently operates in Singapore.

The principal activities of the subsidiary are disclosed in Note 3.1 to the consolidated financial statements.

For the purposes of these consolidated financial statements, the "Company" is defined as the consolidated entity.

These consolidated financial statements for the year ended June 30, 2023 and 2022 were authorised for issuance by the Board of Directors on 18 June 2025.

#### 2. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the significant accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar ("S\$"). The functional currency of the parent company is the Canadian Dollar ("C\$"), the functional currency of Asia Oaktree Financial Private Limited is the S\$.

*New and amended standards*

In the current financial year, the Company has adopted all the amendments that are relevant to its operations and effective for the current financial year. Adoption of these amendments in the current financial year had no impact on the Company's consolidated financial statements.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

2. Basis of preparation (Continued)

*Standards issued but not yet effective*

The Company has not early applied the following new and amended standards that have been issued but are not yet effective:

Title	Effective date (annual periods beginning on or after)
<i>Disclosure of Accounting Policies</i> (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
<i>Definition of Accounting Estimates</i> (Amendments to IAS 8)	January 1, 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to IAS 12)	January 1, 2023
<i>Initial Application of IFRS 17 and IFRS 9—Comparative Information</i> (Amendment to IFRS 17)	January 1, 2023
<i>International Tax Reform—Pillar Two Model Rules</i> (Amendments to IAS 12)	January 1, 2024
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	January 1, 2024
<i>Non-current Liabilities with Covenants</i> (Amendments to IAS 1)	January 1, 2024
<i>Lease Liability in a Sale and Leaseback</i> (Amendments to IFRS 16)	January 1, 2024
<i>Supplier Finance Arrangements</i> (Amendments to IAS 7 and IFRS 7)	January 1, 2025
<i>Lack of Exchangeability</i> (Amendments to IAS 21)	January 1, 2026
<i>Amendments to the Classification and Measurement of Financial Instruments</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
<i>Annual Improvements to IFRS Accounting Standards—Volume 11</i>	January 1, 2026
<i>Contracts Referencing Nature-dependent Electricity</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2027
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	January 1, 2027
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	January 1, 2027
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to IFRS 10 and IAS 28)	Deferred

The Company intends to adopt these new and amended standards, if applicable, when they become effective. Except as described below, the new and amended standards are not expected to have a material impact on the Company's consolidated financial statements.

***Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)***

The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**2. Basis of preparation (Continued)**

**IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard.

**3. Significant accounting policies**

**3.1 Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, Asia Oaktree Financial Private Limited acquired on December 16, 2022. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Particulars of subsidiaries are set out below:

Name of subsidiary	Country of incorporation/ Principal place of business	Effective equity interest held by the Company (%)		Principal activities
		2023	2022	
<b><u>Held directly by the Company</u></b>				
Raffles Financial Private Limited ("RFPL")	Singapore	-	100	Provision of corporate finance advisory services
Asia Oaktree Financial Private Limited ("AOF")	Singapore	100	-	Provision of corporate finance advisory services

Subsidiaries are entities (including structured entities) (i) over which the Company has power and the Company is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from them through its involvement with them.

The Company reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.1 Basis of consolidation (Continued)**

When the Company has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Company up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the amended consolidated financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Company.

Non-controlling interests are identified separately from the Company's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate is accounted for using the equity method.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of income reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.1 Basis of consolidation (Continued)**

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statements of income.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**3.2 Leases**

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

**3.3 Cash**

Cash consists of unrestricted bank deposits, some of which are interest-bearing.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.4 Financial instruments**

The classification of a financial asset or liability is determined at the time of initial recognition. The Company does not enter into derivative contracts.

*(i) Financial assets*

A financial asset is recognised when the Company has the contractual right to collect future cash flows. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recorded at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Cash is initially recorded at their fair value and carried at amortised cost.

Trade and other receivables are initially recorded at their fair value, less transaction costs and subsequently carried at amortised cost using the effective interest method less impairment losses, if any.

Investments in equity instruments, where the Company cannot exert significant influence and the investments are not held for trading purpose, are classified as FVOCI.

Impairment of financial assets

The Company recognises a loss allowance by applying the expected credit losses ("ECL") model on the Company's financial assets carried at amortised cost. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets, other than those at FVTPL and amortised cost, are assessed for indicators of impairment at each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

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3. Significant accounting policies (Continued)

3.4 Financial instruments (Continued)

De-recognition of financial assets A financial asset is derecognised when the contractual right to the asset's cash flows expire or the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

*(ii) Financial liabilities*

The Company classifies its financial liabilities in the following category: Amortised cost A

financial liability is recognised when the Company has the contractual obligation to pay future cash flows. Financial liabilities such as accounts payable and accrued liabilities are recognised at amortised cost using the effective interest rate method.

Accounts payable and accrued liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when its contractual obligations are discharged or ~~cancelled, or expire.~~ The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

*(iii) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

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**3. Significant accounting policies (Continued)**

**3.5 Income taxes**

Current income tax for current period is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax shall be recognised as income or an expense and included in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity, or a business combination.

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**3. Significant accounting policies (Continued)**

**3.6 Currency translation**

*(i) Functional and presentation currency*

The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar ("S\$"). The functional currency of the parent company is the Canadian Dollar ("C\$"), the functional currency of Asia Oaktree Financial Private Limited is the S\$.

*(ii) Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

*(iii) Foreign operations*

On consolidation, the assets and liabilities of foreign operations are translated into Singapore dollars at the exchange rate prevailing at the reporting period end and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in earnings and recognised as part of the gain or loss on disposal.

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**3. Significant accounting policies (Continued)**

**3.7 Share capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new common shares are deducted against the share capital amount.

**3.8 Earnings per share**

Basic earnings or loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is calculated by adjusting the earnings or loss attributable to equity shareholders and the weighted average of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**Share-based payments**

**3.9** The Company uses the fair value based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of equity settled share-based compensation issued to employees is measured on the date of grant, using the Black-Scholes option pricing model and is recognised over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. In situations where equity settled share-based compensation are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of the goods or services received.

**Dividends to Company's shareholders**

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

**3.10**

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**4. Critical accounting judgments and estimates**

The preparation of consolidated financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management's judgment and estimates relate to the determination of income taxes and inputs used in accounting for share-based compensation. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

**Estimates**

**Income taxes** - Tax interpretations, regulations and legislation are subject to change and as such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the probability that they will be realised from future taxable earnings.

**Expected credit losses** - Trade and other receivables are assessed for impairment at each reporting date by applying the expected credit loss impairment model. Expected credit loss represents management's best estimate and assumptions based on actual credit loss experience and also takes into consideration forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

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**5. Acquisitions and disposals of subsidiaries**

The Company had the following subsidiary corporations as at June 30, 2023 and 2022:

Name of company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company	
			2023 %	2022 %
AsiaOaktree Financial Private Limited ("AOF") (a)	Provision of corporate finance advisory services	Singapore	100	-
Raffles Financial Private Limited ("RFPL") (b)	Provision of corporate finance advisory services	Singapore	-	100

*(a) Acquisition of Asia Oaktree Financial Private Limited ("AOF")*

On November 4, 2022, the Company's wholly owned subsidiary, Raffles Financial Private Limited ("RFPL") entered into a share purchase agreement with Mr. Huang Chuan to acquire 100% interest in Raffles Financial Technology (Asia) Private Limited (subsequently changed its name to Asia Oaktree Financial Private Limited ("AOF")), a Singapore-based company at a cash consideration of S\$100 and a performance-based consideration payable either in:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of RFPL on a post-transaction basis, shall the AOF delivers an audited net profit after tax ("NPAT") for the financial year ending December 31, 2023 of S\$10,000,000; or
- (ii) a share consideration of ten times of the AOF's NPAT for the financial year ending December 31, 2023 payable in the shares of the Company valued at C\$3.30 per shares at a cap of 30,303,030 shares.

The performance-based consideration is subject to Company's shareholders and/or relevant authorities' approval.

The share transfer was completed on December 16, 2022. RFPL assigned the Company to own the shares on the same date under a mutual agreement with Mr. Huang Chuan. As of June 30, 2023, no performance-based consideration was paid as AOF did not achieve a positive NPAT.

*(b) Disposal of Raffles Financial Private Limited ("RFPL")*

On June 30, 2023, the Company entered in a sales and purchase agreement with an independent third party to dispose 100% equity interest in RFPL at a consideration of S\$100. On the disposal date, the Company granted RFPL a waiver of loan receivables from RFPL amounting S\$7,188,915. There was a gain on disposal of S\$3,461,812 recorded by the Company during the current financial year.

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**5. Acquisitions and disposals of subsidiaries (Continued)**

*(b) Disposal of Raffles Financial Private Limited ("RFPL") (Continued)*

Summary of the effect of disposal on the financial position and cashflows of the Company:

	<b>S\$</b>
Investment in equity instrument	1,466,857
Bank overdraft	(313)
Amount due to Director	(644,985)
Amount due to related party	(78,000)
Tax payable	(2,097,290)
Deferred tax liabilities	(2,107,981)
Net assets in RFPL as at June 30, 2023	<u>(3,461,712)</u>
Consideration received	100
Gain recognised on disposal of RFPL	<u>3,461,812</u>

**6. Revenue**

The Company did not derive any revenue from the rendering of services during the financial year ended June 30, 2023 and 2022.

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7. Administrative expenses by nature

	2023 S\$	2022 S\$
Audit fee	-	105,288
Business development and marketing	-	86,307
Contract for services	157,515	260,878
Director fees	214,008	236,073
Office expenses	68,851	114,592
Pension contribution fund	-	65,006
Professional fees	21,469	153,821
Rental on operating lease	-	58,336
Staff cost	-	286,612
Transfer agent and regulator fees	20,302	61,844
Other expenses	31,898	31,588
<b>Total administrative expenses</b>	<u>514,043</u>	<u>1,460,345</u>

8. Other income

	2023 S\$	2022 S\$
Fair value gain from acquisition of subsidiary	-	5,666
Gain on disposal of equity investment	-	18
Government grants	-	4,987
Others	45,184	17,234
	<u>45,184</u>	<u>27,905</u>

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**9. Income tax**

The Cayman Islands and Singapore components of loss before income taxes and provision for income taxes were as follows:

	<b>2023</b>	<b>2022</b>
	<b>S\$</b>	<b>S\$</b>
Income/(loss) before income taxes		
Cayman Islands	2,594,702	(549,763)
Singapore	(222,358)	(3,228,335)
	<u>2,372,344</u>	<u>(3,778,098)</u>
Current income tax expense		
Cayman Islands	-	-
Singapore	-	-
	<u>-</u>	<u>-</u>
Deferred income tax expense		
Cayman Islands	-	-
Singapore	-	1,809,200
	<u>-</u>	<u>1,809,200</u>
	<u>-</u>	<u>180,920</u>

The following table reconciles the expected income taxes expense at the statutory income tax rate to the amounts recognised in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2023 and June 30, 2022:

	<b>2023</b>	<b>2022</b>
	<b>S\$</b>	<b>S\$</b>
Net income/(loss) before tax 2,372,344 Statutory tax rate 0.00%		(3,778,098)
Expected income tax 0.00		0.00%
Difference in foreign jurisdiction tax rates (37,801)	<u>37,801</u>	<u>0.00</u>
Non-deductible items 37,801		(589,871)
Income not subject to tax -		753,015
Others -		(173,147)
Under provision of income tax expense in prior year - <b>Total tax expense -</b>		10,003
		180,920
	<u>-</u>	<u>180,920</u>

The Company's jurisdiction is the Cayman Islands, where the statutory tax rate is 0%.

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9. Income tax (Continued)

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax liabilities at June 30, 2023 and 2022 are comprised of the following:

	2023	2022
	S\$	S\$
Unremitted foreign income	-	(2,107,981)
Total deferred tax liabilities	<u>-</u>	<u>(2,107,981)</u>

There were no transactions on deferred tax liabilities during the current financial year. The deferred tax liabilities were derecognised from the Company's consolidated financial statement following the disposal of 100% equity interest in Raffles Financial Private Limited on June 30, 2023.

10. Financial assets, at fair value through other comprehensive income ("FVOCI")

Details of financial assets, at FVOCI as at June 30, 2023 and 2022 are as follows:

	2023	2022
	S\$	S\$
<i>Investment in equity designated at FVOCI</i>		
Listed securities:		
Raffles Infrastructure Holdings Limited ("RIHL")	-	180,000
GS Holding Limited ("GSHL")	-	2,910,268
	<u>-</u>	<u>3,090,268</u>

*Raffles Infrastructure Holdings Limited ("RIHL")*

There were no transactions on RIHL shares during the current financial year. It was derecognised from the Company's consolidated financial statement following the disposal of 100% equity interest in Raffles Financial Private Limited on June 30, 2023.

*GS Holdings Limited ("GSHL")*

There were no transactions on GSHL shares during the current financial year. It was derecognised from the Company's consolidated financial statement following the disposal of 100% equity interest in Raffles Financial Private Limited on June 30, 2023.

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11. Other receivables, prepaid expenses and deposits

	2023 S\$	2022 S\$
Other receivables		
-Nonrelated parties	78,102	7,091,532
Less: Loss allowance	-	(7,091,532)
	78,102	-
-Related party	-	21,761
	78,102	21,761
Prepaid expenses	8,908	15,224
Deposits*	19,097,126	21,216,063
	<u>19,184,136</u>	<u>21,253,048</u>

\*Right-to-Use agreement with HuDuoBao Network Technology Co., Ltd.

As at June 30, 2023, the Company had a deposit in the amount of S\$19,097,126 (RMB 102,000,000). On May 20, 2021, the Company entered into a Memorandum of Understanding (the "MOU") to acquire 100% HuDuoBao Network Technology Co., Ltd. ("HDB"). For consideration, the Company made a refundable deposit of RMB 102,000,000 (the "Deposit") for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment. In December 2021, the Company entered into a cloud-based system right-to-use agreement ("SaaS Agreement") with HDB to license the Company and its agent(s) a right to use HDB's cloud-based emails, 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 ("Right-to-Use") to provide e-commerce integrated solution to merchants. Pursuant to the agreement, the Right-to-Use is on a period of 3 years for a monthly fee of RMB 2,500,000 which can be offset from the Deposit through the utilisation of the Right-to-Use service. However, the Right-to-Use service had not subsequently commenced due to a force majeure situation, where China's authorities accelerated efforts in mass locking down several major cities in China in light of the surging COVID-19 Omicron variant case that hindered HDB and the Company's management to perform the agreement in China. In June 2022, HDB and the Company mutually agreed to an assignment of the SaaS Agreement to a third party in China whereby HDB shall return the deposit in the amount of RMB 102,000,000 (equivalent to S\$19,097,126 as of June 30, 2023 (S\$21,216,063 as of June 30, 2022)) to the Company pursuant to the MOU.

In light of the foreign exchange control in China which restricts refund of the Deposit being held by HDB 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. HDB had 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.

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**11. Other receivables, prepaid expenses and deposit (Continued)**

On March 12, 2024, the Company entered into a deposit refund agreement ("Refund Agreement") whereby the equivalent amount of the Deposit was refunded in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange. On the same date, the Company entered into an nominee shareholding agreement with Chief Executive Officer ("CEO") of the Company, Mr. Huang Chuan, whereby the CEO is granted power of attorney to hold the share of Tencent Holdings Limited in trust in his overseas stock brokerage account on behalf of the Company. As a result of the Refund Agreement, the deposit was refunded during the year in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.

**12. Cash and cash equivalents**

	<b>2023</b>	<b>2022</b>
	<b>S\$</b>	<b>S\$</b>
Bank balances	13,619	226,729
Cash and cash equivalents in the consolidated statements of financial position and cash flows	13,619	226,729
	<u>13,619</u>	<u>226,729</u>

The currency profile of the Company's cash and cash equivalents is as follows:

	<b>2023</b>	<b>2022</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollar	11,290	188,867
United States Dollar	355	500
Hong Kong Dollar	-	36,260
Canadian Dollar	1,974	1,102
	<u>13,619</u>	<u>226,729</u>

**13. Other payable and accrued liabilities**

	<b>2023</b>	<b>2022</b>
	<b>S\$</b>	<b>S\$</b>
Accrued liabilities	386,597	348,444
Amount due to Directors	10,554	610,941
	<u>397,151</u>	<u>959,385</u>

Amounts due to Directors are unsecured, interest-free and repayable on demand.

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**14. Borrowings**

	<b>2023</b>	<b>2022</b>
	<b>S\$</b>	<b>S\$</b>
Short-term borrowings – Non related party	<u>164,220</u>	<u>-</u>

On January 1, 2023, the Company's wholly owned subsidiary, AOF, entered into a convertible bond agreement with an independent third party (the "Lender"). Under this agreement, the Lender agreed to provide AOF with an unsecured, interest-bearing loan facility of up to C\$2,000,000. Each drawdown under the facility carries an interest rate of 8% per annum and is subject to a one-year maturity term.

Pursuant to the agreement, the Lender has the right to convert all or part of the outstanding loan balance into new ordinary shares of the Company at an exercise price of C\$2.60 per share, at any time during the term of the loan. The number of shares issuable upon conversion is limited to less than 30% of the Company's enlarged share capital. The conversion right is subject to the prior approval of the Company's shareholders and relevant Canadian regulatory authorities.

As of June 30, 2023, the required approvals had not been obtained. Accordingly, no equity component has been recognised in relation to the conversion feature of the loan as of that date.

**15. Share capital**

	<b>Number of common shares</b>	<b>S\$</b>
<b>Balance at June 30, 2021 and 2022</b>	50,105,000	26,099,591
Disposal of subsidiary	<u>-</u>	<u>(100,000)</u>
<b>Balance at June 30, 2023</b>	<u>50,105,000</u>	<u>25,999,591</u>

The authorised share capital of the Company is 5,000,000,000 common shares without par value.

**Stock options**

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

On May 11, 2020, the Company issued 300,000 stock options with an exercise price of C\$5.00 per share, at a fair value of C\$1,019,754. These stock options are subject to vesting provisions such that 25% of the options vest three months from the date of grant, 25% of the stock options vest six months from the date of grant, 25% of the stock options vest nine months from the date of grant and 25% of the stock options vest twelve months from the date of grant. The fair value per option was C\$3.40. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, a risk-free rate of 0.38%, a forfeiture rate of 0%, and volatility of 100%.

During the year ended June 30, 2023 and 2022, the Company recorded no share-based compensation in relation to these stock options.

	<b>Number of options</b>	<b>Exercise price C\$</b>	<b>Expiry date</b>
<b>Balance exercisable at June 30, 2022 and 2023</b>	<u>275,000</u>	<u>5.00</u>	May 11, 2025

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16. Related party transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Company and related party at the terms agreed between the parties. Related party refers to the Company which is controlled by the Company's directors and their close family members.

*Key management personnel compensation*

Transaction entered into between the related parties and the Company

	2023 S\$	2022 S\$
Director fees	214,008	236,073
Contract for services	-	35,454
	<u>214,008</u>	<u>271,527</u>
 <u>Transaction entered into between the related parties and Raffles Financial Private Limited, the former wholly owned subsidiary of the Company</u>		
	2023 S\$	2022 S\$
Contract for services	<u>-</u>	<u>60,000</u>

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the fair value, which is the amount of consideration established and agreed to by the related parties.

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17. Segmental information

	Singapore S\$	United States S\$	Hong Kong S\$	China S\$	Canada S\$	Total S\$
<b>As at June 30, 2023</b>						
Cash	11,290	355	-	-	1,974	13,619
Current and total assets	89,290	355	-	19,097,126	10,984	19,197,755
<b>As at June 30, 2022</b>						
Cash	188,867	500	36,260	-	1,102	226,729
Current and total assets	3,316,120	500	36,260	21,216,063	1,102	24,570,045

**Segment assets**

Segment assets has been based on the geographic location of the assets.

**Segment liabilities**

~~Segment liabilities~~ information is not included in the internal management reports. Hence, no disclosures are made on segment liabilities.

18. Financial instruments and financial risk management

**Classification of financial instruments:**

	2023 S\$	2022 S\$
<b><u>Financial assets</u></b>		
Financial assets, at FVTOCI	-	3,090,268
Other receivables and deposits	19,175,228	21,237,824
Cash and cash equivalents	13,619	226,729
	<b>19,188,847</b>	<b>24,554,821</b>
<b><u>Financial liabilities</u></b>		
Other payable and accrued liabilities	397,151	959,385
Borrowings	164,220	-
	<b>561,371</b>	<b>959,385</b>

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**18. Financial instruments and financial risk management (Continued) *Financial risks factors***

The Company's activities expose it to credit risk, liquidity risk, currency risk, equity price risk and capital risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance.

The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. This includes establishing detailed policies such as risk identification, measurement and exposure limits.

*(a) Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits and trade and other receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties. Cash are placed with banks and financial institutions with high credit-ratings assigned by international credit rating agencies. Trade receivables are substantially companies with a good collection track record. As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments present on the statement of financial position. The Company has applied the simplified approach to measure the lifetime expected credit losses for trade receivables. In measuring the expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company has considered the customers' available credit history and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The Company performs ongoing reviews on the collectability of its trade receivables in order to mitigate any potential credit losses. The definition of trade receivables that are past due is determined by reference to terms agreed upon with individual customers. No trade receivables have been challenged by the respective customers and the Company continues to conduct business with them on an ongoing basis. Trade receivables are written off when there is no reasonable expectation of recovery, such as counterparty failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss. Based on management assessment, cash and receivables as at June 30, 2023 are not subject to any material credit losses after recognising a bad debt provision of S\$21,059 during the year ended June 30, 2023.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

18. Financial instruments and financial risk management (Continued)

***Financial risks factors (Continued)***

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operating commitments. As at June 30, 2023, all the financial liabilities of the Company are due within 12 months. Balance due within 12 months equal their carrying amounts as the impact of discounting is not significant.

(c) *Currency risk*

The functional currency is C\$ for the Company and S\$ AOF. The Company is exposed to currency risk primarily through its cash and deposit balances that are denominated in foreign currencies. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk related to the deposit balance is currently considered significant.

Foreign currency risk sensitivity analysis

	Base Value	Strengthening (+5%)	Weakening (-5%)	Impact (+5%)	Impact (-5%)
	S\$	S\$	S\$	S\$	S\$
Chinese Renminbi	19,097,126	20,051,982	18,142,270	954,856	(954,856)

As at June 30, 2023, the Company held foreign currency deposit totalling S\$19,097,126. A 5% strengthening or weakening of the Singapore Dollar against the respective foreign currencies would have resulted in a decrease or increase in the value of these balances by approximately S\$954,856. This analysis assumes that all other variables remain constant.

(d) *Equity price risk*

The Company is exposed to equity price risk arising from its investments in quoted equity instruments which are classified as financial assets at FVOCI. The Company has a concentration of equity price risk due to one of its investments being worth a significant amount of its portfolio.

Equity price risk arises from fluctuations in the market prices of these shares due to market volatility, changes in investor sentiment, and specific performance of the investee companies. The risk is managed through regular monitoring of the investment portfolio, diversification where applicable, and adherence to established investment policies.

At the reporting date, if the market prices of the quoted equity investments had increased or decreased by 10%, with all other variables held constant, the Company's other comprehensive income would have increased or decreased by approximately Nil (2022: S\$309,000), mainly as a result of changes in the fair value of quoted equity investments.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**18. Financial instruments and financial risk management (Continued)**

***Financial risks factors (Continued)***

(e) *Capital risk*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares.

The Company is not subject to any externally imposed capital requirements.

(f) *Fair value measurements*

Fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).  
Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of current financial assets and liabilities other than the investment approximate their carrying amounts due to the short term nature.

The equity investments at FVOCI include shares in publicly traded companies listed on a stock exchange. The fair value of equity investments at FVOCI is determined based on a market approach reflecting the closing price of each particular security at the consolidated financial position date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore equity investments at FVOCI are classified within Level 1 of the fair value hierarchy.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**19. Significant events**

(a) On December 21, 2021, the Company entered into a share purchase agreement to acquire all of the outstanding share capital of Dayou Investment Limited ("DI"), a Hong Kong-based company supplying various B2B computing hardware and software to clients in Hong Kong, Vietnam, Thailand, Malaysia and Indonesia. Subject to prior approval of the Canadian Securities Exchange, the Company shall complete the acquisition of DI for the purchase price of S\$100 (C\$93.71). Subsequent to the closing of the purchase of DI, the Vendors of DI shall be entitled to a performance-based payment equal to ten times DI's audited net profit after tax for the financial periods ended December 31, 2022, payable in the Company's shares valued at C\$10 per share.

However, such share transaction was not completed nor been taken into effect due to the fact that the condition precedent of the transaction was not fulfilled in light of a cease trading order in place and failure to commence the proposed business in China due to the prolong COVID-19 pandemic. Subsequently on October 31, 2022, both parties entered into a termination and mutual release agreement from the share purchase agreement with an independent party.

Before reaching the decision of termination and mutual release from the share purchase agreements, the Company had been in negotiation with a potential Chinese corporate finance expert, Mr. Xu Zhiyang who had expressed his interest in collaboration with the Company in the form of contributing profit to the Company in exchange for a performance-based reward in a stake form based on future earnings.

In order to achieve such collaboration, Mr. Xu Zhiyang had taken over 100% interests in DI upon the aforesaid termination. Then on November 4, 2022, Mr. Xu Zhiyang entered into share purchase agreement with RFPL, pursuant to which:

- (i) RFPL shall acquire all of the outstanding share capital of and DI (subsequently changed its name to Raffles Financial Technology (China) Limited ("RFTC")) at a consideration of S\$100 (C\$96);
- (ii) subject to the Company's shareholders and necessary approval from relevant authorities, Mr. Xu Zhiyang shall be entitled to a performance-based payment payable in terms of:
  - a) a share consideration equivalent to 25% of the interest in the total issued shares capital of RFPL on a post-transaction basis, shall the RFTC delivers an audited net profit after tax ("NPAT") for the financial year ending December 31, 2023 of S\$10,000,000; or
  - b) a share consideration of ten times of the RFTC's NPAT for the financial year ending December 31, 2023 payable in the shares of the Company valued at C\$3.30 per shares at a cap of 30,303,030 shares.

On July 31, 2023, Mr. Xu Zhiyang, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in RFTC under the original share purchase agreement ("Original Agreement 1") dated November 4, 2022 to the Company as the new purchaser of RFTC. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 1 and to be bound by its terms in every way as if it were named in the Original Agreement 1 in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**19. Significant events (Continued)**

(a) The Company has a right to choose the payment form of a performance consideration to Mr. Xu Zhiyang in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall RFTC deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of RFTC's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

On August 28, 2024, 100,000 shares representing 100% interest in RFTC (subsequently changed its name to Oaktree Financial Limited ("OFHK")) was transferred to the Company from Mr. Xu Zhiyang, representing that the acquisition pursuant to the novation agreement dated July 31, 2023 was affected. No performance-based consideration was paid as OFHK did not achieve a positive NPAT.

(b) On December 1, 2023, Asia Oaktree Financial Private Limited ("AOF"), Guangzhou Oaktree Investment Co. Ltd. and the Company entered into an assignment of convertible bond agreement and pursuant to which, all parties agreed to transfer all the rights, obligations and drawdowns of loan under the original convertible bond agreement dated January 1, 2023 from AOF to the Company within 30 days of the signing date. As a result, the Company shall be the new borrower to supersede AOF as the borrower of the loan drawn under the original convertible bond agreement in the principal amount of S\$198,238 as of the date of the assignment agreement.

(c) On December 1, 2023, Mr. Huang Chuan, Oaktree International Financial Limited ("OIF"), AOF, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in AOF under the original share purchase agreement ("Original Agreement 2") dated November 4, 2022 as disclosed in Note 5(a) to the Company, and to supersede the original target corporation, AOF by a new target corporation, OIF. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 2 and to be bound by its terms in every way as if it were named in the Original Agreement 2 in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Huang Chuan in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall OIF deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of OIF's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**19. Significant events (Continued)**

(c) On December 27, 2023, AOF was deregistered and struck off from the register of Accounting and

Corporate Regulatory Authority of Singapore.

On August 28, 2024, 100 shares representing 100% interest in OIF was transferred to the Company from Mr. Huang Chuan, representing that the acquisition pursuant to the novation agreement dated December 1, 2023 was affected. No performance-based consideration was paid as OIF did not achieve a positive NPAT.

(d) On November 1, 2021, the Company announced that it will miss its filing deadline of October 28, 2021 (the "Filing Deadline"), to file its audited annual financial statements and accompanying management's discussion and analysis and related Chief Executive Officer and Chief Financial Officer certifications for the year ended June 30, 2021 (collectively, the "Annual Filings"). As a result of not filing the Annual Filings by the Filing Deadline, the Company became subject to a cease trade order (the "CTO") issued by the British Columbia Securities Commission (the "BCSC") that will prohibit the trading in all securities of the Company by securityholders of the Company and will remain in effect until revoked by the BCSC.

**RAFFLES FINANCIAL GROUP LIMITED  
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2022**  
(Expressed in Singapore Dollars)

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**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
RAFFLES FINANCIAL GROUP LIMITED**

**HML PLT**  
LLP004524-LCA & 201504000748  
CHARTERED ACCOUNTANTS AF 002152  
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**Opinion**

We have audited the consolidated financial statements of Raffles Financial Group Limited and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated statements of financial position as at June 30, 2022 and June 30, 2021, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2022 and June 30, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRSs").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Recoverability of Deposits**

Refer to Note 11 – Other receivables, prepaid expenses and deposits

**The key audit matter**

The Company recorded deposits of S\$21,216,063 for the year ended June 30, 2022 which is material and may not be directly tied to routine operational transactions.

We have identified the deposits as key audit matter due to the materiality of the balances and the subjective nature of assessing the recoverability of this area involves significant management judgment, particularly in evaluating the credit risk of counterparties, commercial substance of arrangements, and the timing and probability of recovery.

#### **How the matter was addressed in our audit**

We performed the following audit procedures, among others:

- Obtaining and reviewing agreements for the arrangement on the refundable deposit;
- Obtaining deposit refund agreement, examining terms of the agreement and assess if the deposit was refunded to the Company;
- Obtaining nominee shareholding agreement, examine terms of the agreement and considered substantive rights of the Company over the Hong Kong-listed equity shares and determined that the shares are held in trust by the CEO;
- Agreeing the number of Hong Kong-listed equity shares held in trust by the CEO to his personal overseas stock brokerage account and obtained third-party broker confirmation; and
- Assessing adequacy and reasonableness of disclosures in the consolidated financial statements.

#### **Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

#### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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From the matters communicated with the those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Mee Ling.

Kuala Lumpur, Malaysia  
18 June 2025

A handwritten signature in black ink, appearing to read 'Ho Mee Ling'.

HML PLT  
Chartered Accountants

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2022 AND 2021**  
 (Expressed in Singapore Dollars)

	Note	2022 S\$	2021 S\$
Revenue	6	-	4,999,880
Expenses			
Administrative	7	(1,460,345)	(2,312,096)
<b>(Loss)/Income before other items and income tax</b>		<b>(1,460,345)</b>	<b>2,687,784</b>
<b>Other items</b>			
Other income	8	27,905	208,656
Gain on redemption of a convertible loan		-	390,000
Gain on disposal of subsidiaries	5	1,048,359	250,002
Bad debts		(3,447,227)	(7,053,792)
Foreign exchange gain		53,210	111,471
<b>Net loss before income tax</b>		<b>(3,778,098)</b>	<b>(3,405,879)</b>
Income tax expense	9	(180,920)	(849,980)
<b>Net loss for the year</b>		<b>(3,959,018)</b>	<b>(4,255,859)</b>
<b>Other comprehensive loss</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		(109,175)	1,060,949
Unrealised loss on investments		(4,639,464)	(6,813,075)
<b>Other comprehensive loss for the year, net of tax</b>		<b>(4,748,639)</b>	<b>(5,752,126)</b>
<b>Total comprehensive loss for the year</b>		<b>(8,707,657)</b>	<b>(10,007,985)</b>
<b>Net loss attributable to:</b>			
Owners of the Company		(4,003,521)	(4,255,083)
Non-controlling interest		44,503	(776)
<b>Net loss for the year</b>		<b>(3,959,018)</b>	<b>(4,255,859)</b>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED****CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2022 AND 2021  
(Expressed in Singapore Dollars)**

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	Note	2022 S\$	2021 S\$
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company		(8,752,160)	(10,007,209)
Non-controlling interest		44,503	(776)
<b>Total comprehensive loss for the year</b>		<u>(8,707,657)</u>	<u>(10,007,985)</u>
<b>Basic and diluted loss per share</b>		<u>(0.08)</u>	<u>(0.08)</u>
<b>Weighted average number of common shares outstanding – basic</b>		<u>50,105,000</u>	<u>50,085,205</u>
<b>Weighted average number of common shares outstanding – diluted</b>		<u>50,380,000</u>	<u>50,360,205</u>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2022 AND 2021**  
(Expressed in Singapore Dollars)

	Note	2022 S\$	2021 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets, at FVOCI	10	3,090,268	7,741,054
Other receivables, prepaid expenses and deposits	11	21,253,048	22,523,259
Cash and cash equivalents	12	226,729	629,855
		<u>24,570,045</u>	<u>30,894,168</u>
<b>TOTAL ASSETS</b>		<u>24,570,045</u>	<u>30,894,168</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payable and accrued liabilities	13	959,385	1,073,376
Current income tax liabilities		2,109,290	1,983,370
		<u>3,068,675</u>	<u>3,056,746</u>
<b>Non-current liabilities</b>			
Deferred income tax liabilities	9	2,107,981	2,107,981
<b>Total liabilities</b>		<u>5,176,656</u>	<u>5,164,727</u>
<b>NET ASSETS</b>		<u>19,393,389</u>	<u>25,729,441</u>
<b>EQUITY</b>			
Share capital	15	26,099,591	26,099,591
Contributed surplus		945,194	945,194
Accumulated other comprehensive income		(5,581,421)	(832,782)
Retained earnings		(2,069,975)	(481,806)
Total equity attributable to Raffles		19,393,389	25,730,197
Non-controlling interest		-	(756)
<b>TOTAL EQUITY</b>		<u>19,393,389</u>	<u>25,729,441</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>24,570,045</u>	<u>30,894,168</u>

Approved and authorised by the Board on 18 June 2025

Approved on behalf of the Board:

*"Abigail Zhang Liying"*  
Director

*"Charli In Nany Sing"*  
Director

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED JUNE 30, 2022 AND 2021**

(Expressed in Singapore Dollars)

	Note	Number of shares	Share capital S\$	Contributed surplus S\$	Accumulated other comprehensive income/(loss) S\$	Retained earnings S\$	Non-controlling interests S\$	Total equity S\$
<b>Balance as at June 30, 2020</b>		50,080,000	25,875,920	297,610	4,919,344	135,072	-	31,227,946
Stock options exercised	15	25,000	223,671	(117,915)	-	-	-	105,756
Share-based compensation	15	-	-	765,499	-	-	-	765,499
Foreign currency translation		-	-	-	1,060,949	-	-	1,060,949
Acquisition of RIC	5	-	-	-	-	-	9	9
Derecognition of RIC	5	-	-	-	-	-	11	11
Change in fair value of FVOCI investments		-	-	-	1,794,763	-	-	1,794,763
Reclassification of gain on disposal of FVOCI investments		-	-	-	(8,607,838)	8,607,838	-	-
Dividends	15	-	-	-	-	(4,969,633)	-	(4,969,633)
Net loss for the year		-	-	-	-	(4,255,083)	(776)	(4,255,859)
		<u>50,105,000</u>	<u>26,099,591</u>	<u>945,194</u>	<u>(832,782)</u>	<u>(481,806)</u>	<u>(756)</u>	<u>25,729,441</u>
<b>Balance as at June 30, 2021</b>		50,105,000	-	-	(832,782)	(481,806)	(756)	25,729,441
Disposal of subsidiaries		-	-	-	-	36,146	(43,747)	(7,601)
Disposal of investments		-	-	-	-	-	-	(20,757)
Reclassification on disposal of investments	10	-	-	-	(20,757)	-	-	(20,757)
Change in fair value of FVOCI investments		-	-	-	(26,418)	26,418	-	-
Foreign currency translation		-	-	-	(4,592,289)	-	-	(4,592,289)
Acquisition of subsidiaries		-	-	-	(109,175)	-	-	(109,175)
Net loss for the year		-	-	-	-	2,352,788	-	2,352,788
		-	-	-	-	(4,003,521)	44,503	(3,959,018)
		<u>50,105,000</u>	<u>26,099,591</u>	<u>945,194</u>	<u>(5,581,421)</u>	<u>(2,069,975)</u>	<u>-</u>	<u>19,393,389</u>
<b>Balance as at June 30, 2022</b>								

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022 AND 2021**  
 (Expressed in Singapore Dollars)

	Note	2022 S\$	2021 S\$
<b>Cash flows provided by operating activities</b>			
Net loss for the year		(3,959,018)	(4,255,859)
Adjustment for:			
- Bad debts		3,447,227	7,053,792
- Income tax expense		180,920	849,980
- Foreign exchange gain		(53,210)	(111,471)
- Referral fees for disposal of financial assets, at FVOCI		-	102,500
- Dividend income from equity investment measured at FVOCI		-	(186,555)
- Gain on redemption of a convertible loan		-	(390,000)
- Gain on acquisition of subsidiaries		(11,891)	-
- Interest income		-	(4)
- Gain on disposal of subsidiary	5	(1,048,359)	(250,002)
- Gain on disposal of equity investment		(18)	-
- Share-based compensation		-	765,499
<b>Operating cash flow before changes in working capital</b>		<b>(1,444,349)</b>	<b>3,577,880</b>
Changes in working capital:			
- Other receivables, prepaid expenses and deposits		8,010,657	(18,124,625)
- Other payable and accrued liabilities		(6,836,498)	(1,752,133)
- Tax paid		(55,000)	(45,710)
<b>Net cash used in operating activities</b>		<b>(325,190)</b>	<b>(16,344,588)</b>
<b>Cash flows provided by investing activities</b>			
Investment in subsidiary	5	-	(75)
Sales proceed from disposal of subsidiaries		39	-
Sales proceed from disposal of equity investment measured at FVOCI		37,740	-
Dividend received		-	186,555
Convertible loan receivable		-	(450,000)
<b>Net cash provided by/(used in) investing activities</b>		<b>37,779</b>	<b>(263,520)</b>
<b>Cash flows provided by financing activities</b>			
Proceeds from stock option exercised		-	133,150
Dividends paid		-	(4,969,633)
<b>Net cash used in financing activities</b>		<b>-</b>	<b>(4,836,483)</b>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2022 AND 2021**  
(Expressed in Singapore Dollars)

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	<b>Note</b>	<b>2022 S\$</b>	<b>2021 S\$</b>
Effect of foreign exchange on cash		(115,715)	1,033,553
<b>Net decrease in cash</b>		(403,126)	(20,411,038)
<b>Cash</b>			
Cash, beginning of year		629,855	<u>21,040,893</u>
<b>Cash, end of year</b>		<u>226,729</u>	<u>629,855</u>

*The accompanying notes form an integral part of these consolidated financial statements*

## RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

### CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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#### 1. General information

Raffles Financial Group Limited (the "Company") was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011. The head office of the Company is located at 3 Fraser Street, #08-21, Singapore, 189352. The principal activity of the Company is the provision of corporate finance advisory services.

On April 29, 2020, the Company changed its corporate jurisdiction from British Columbia to the Cayman Islands. The Company's common shares are listed on Canadian Securities Exchange under symbol "RICH". The trading in the Company's common shares was suspended effective from January 6, 2022 by a cease trade order issued by the Ontario and British Columbia Securities Commission.

The Company's subsidiary currently operates in Singapore.

The principal activities of the subsidiaries are disclosed in Note 3.1 to the consolidated financial statements.

For the purposes of these consolidated financial statements, the "Company" is defined as the consolidated entity.

These consolidated financial statements for the year ended June 30, 2022 and 2021 were authorised for issue by the Board of Directors on 18 June 2025.

#### 2. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"). The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the significant accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure. The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar ("S\$"). The functional currency of the parent company is the Canadian Dollar ("C\$"), the functional currency of Raffles Financial Private Limited is the S\$.

*New and amended standards*

In the current financial year, the Company has adopted all the amendments that are relevant to its operations and effective for the current financial year. Adoption of these amendments in the current financial year had no impact on the Company's consolidated financial statements.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

2. Basis of preparation (Continued)

*Standards issued but not yet effective*

The Company has not early applied the following new and amended standards that have been issued but are not yet effective:

Title	Effective date (annual periods beginning on or after)
Annual Improvements to IFRS Standards 2018-2021	January 1, 2022
<i>Reference to the Conceptual Framework</i> (Amendments to IFRS 3)	January 1, 2022
<i>Property, Plant and Equipment—Proceeds before Intended Use</i> (Amendments to IAS 16)	January 1, 2022
<i>Onerous Contracts—Cost of Fulfilling a Contract</i> (Amendments to IAS 37)	January 1, 2022
<i>Disclosure of Accounting Policies</i> (Amendments to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
<i>Definition of Accounting Estimates</i> (Amendments to IAS 8)	January 1, 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to IAS 12)	January 1, 2023
<i>Initial Application of IFRS 17 and IFRS 9—Comparative Information</i> (Amendment to IFRS 17)	January 1, 2023
<i>International Tax Reform—Pillar Two Model Rules</i> (Amendments to IAS 12)	January 1, 2024
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	January 1, 2024
<i>Non-current Liabilities with Covenants</i> (Amendments to IAS 1)	January 1, 2024
<i>Lease Liability in a Sale and Leaseback</i> (Amendments to IFRS 16)	January 1, 2024
<i>Supplier Finance Arrangements</i> (Amendments to IAS 7 and IFRS 7)	January 1, 2025
<i>Lack of Exchangeability</i> (Amendments to IAS 21)	January 1, 2026
<i>Amendments to the Classification and Measurement of Financial Instruments</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
<i>Contracts Referencing Nature-dependent Electricity</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2027
<i>IFRS 18 Presentation and Disclosure in Financial Statements</i>	January 1, 2027
<i>IFRS 19 Subsidiaries without Public Accountability: Disclosures</i>	Deferred
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to IFRS 10 and IAS 28)	Deferred

The Company intends to adopt these new and amended standards, if applicable, when they become effective. Except as described below, the new and amended standards are not expected to have a material impact on the Company's consolidated financial statements.

**Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**

The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**2. Basis of preparation (Continued)**

The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**IFRS 18 Presentation and Disclosure in Financial Statements**

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard.

**3. Significant accounting policies**

**3.1 Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary, RFPL acquired on April 29, 2020. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE  
CONSOLIDATED FINANCIAL STATEMENTS**  
(Expressed in Singapore Dollars)

**3. Significant accounting policies (Continued)**

**3.1 Basis of consolidation (Continued)**

Particulars of subsidiaries are set out below:

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity interest held by the Company (%)		Principal activities
		2022	2021	
<b><u>Held directly by the Company</u></b>				
Raffles Financial Private Limited ("RFPL")	Singapore	100	100	Provision of corporate finance advisory services
<b><u>Held by RFPL</u></b>				
Marvel Earn Limited ("MEL")	Hong Kong	-	100	Investment holding
Raffles Financial AG ("RFAG")	Switzerland	-	100	Provision of corporate advisory services
Raffles Financial Asset Management Private Limited ("RFAM")	Singapore	-	75	Asset management and advisory services
Raffles Financial Limited ("RFL")*	Hong Kong	-	-	Provision of corporate advisory services
Raffles Financial Advisory Private Limited ("RFA")**	Singapore	-	-	Provision of corporate advisory services

\*The Company has acquired 100% of effective equity interest in Raffles Financial Limited ("RFL") on July 1, 2021 and disposed the 100% of effective equity interest on October 31, 2021.

\*\*The Company has acquired 100% of effective equity interest in Raffles Financial Advisory Private Limited (formerly known as Alto Vencap Private Limited) on August 25, 2021 and disposed the 100% of effective equity interest on March 31, 2022.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.1 Basis of consolidation (Continued)**

Subsidiaries are entities (including structured entities) (i) over which the Company has power and the Company is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from them through its involvement with them.

The Company reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Company has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

Subsidiaries are consolidated from the date on which control is transferred to the Company up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the amended consolidated financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Company.

Non-controlling interests are identified separately from the Company's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate is accounted for using the equity method.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.1 Basis of consolidation (Continued)**

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of income reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statements of income.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.2 Leases**

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed. The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

**3.3 Cash**

Cash consists of unrestricted bank deposits, some of which are interest-bearing.

**Financial instruments**

The classification of a financial asset or liability is determined at the time of initial recognition.

**3.4** The Company does not enter into derivative contracts.

*(i) Financial assets*

A financial asset is recognised when the Company has the contractual right to collect future cash flows. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recorded at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Cash is initially recorded at their fair value and carried at amortised cost.

Trade and other receivables are initially recorded at their fair value, less transaction costs and subsequently carried at amortised cost using the effective interest method less impairment losses, if any.

Investments in equity instruments, where the Company cannot exert significant influence and the investments are not held for trading purpose, are classified as FVOCI.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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3. Significant accounting policies (Continued)

3.4 Financial instruments (Continued)

Impairment of financial assets The Company recognises a loss allowance by applying the expected credit losses ("ECL") model on the Company's financial assets carried at amortised cost. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets, other than those at FVTPL and amortised cost, are assessed for indicators of impairment at each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

De-recognition of financial assets

A financial asset is derecognised when the contractual right to the asset's cash flows expire or the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

*(ii) Financial liabilities*

The Company classifies its financial liabilities in the following category: Amortised cost A

financial liability is recognised when the Company has the contractual obligation to pay future cash flows. Financial liabilities such as accounts payable and accrued liabilities are recognised at amortised cost using the effective interest rate method.

Accounts payable and accrued liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

*(iii) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.5 Revenue recognition**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation when each of the Company's activities are met:

*(a) Advisory fee*

The provision of financial advisory services are recognised at a point in time upon satisfaction of a performance obligation, which is when services are rendered and accepted by the customer.

*(b) Licensing fee*

The licensing fee is earned from the right to use the Company's proprietary brands for a fixed fee under a non-cancellable contract, where a contract is granted to the licensee which permits the licensee to exploit the brands over the licensing period in any designated territory. Revenue is recognised over time by reference to the contract period.

*(c) Retainer fee*

Retainer fees of ongoing predetermined are recognised over time by reference to the contract period.

**3.6 Income taxes**

Current income tax for current period is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.6 Income taxes (Continued)**

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax shall be recognised as income or an expense and included in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity; or a business combination.

**3.7 Currency translation**

*(i) Functional and presentation currency*

The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar ("S\$"). The functional currency of the parent company is the Canadian Dollar ("C\$"), the functional currency of Raffles Financial Private Limited is the S\$.

*(ii) Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

*(iii) Foreign operations*

On consolidation, the assets and liabilities of foreign operations are translated into Singapore dollars at the exchange rate prevailing at the reporting period end and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in earnings and recognised as part of the gain or loss on disposal.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.8 Share capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new common shares are deducted against the share capital amount.

**3.9 Earnings per share**

Basic earnings or loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is calculated by adjusting the earnings or loss attributable to equity shareholders and the weighted average of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**Share-based payments**

**3.10** The Company uses the fair value based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of equity settled share-based compensation issued to employees is measured on the date of grant, using the Black-Scholes option pricing model and is recognised over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. In situations where equity settled share-based compensation are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of the goods or services received.

**Dividends to Company's shareholders**

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

**3.11**

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**4. Critical accounting judgments and estimates**

The preparation of consolidated financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management's judgment and estimates relate to the determination of income taxes and inputs used in accounting for share-based compensation. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

**Estimates**

**Income taxes** - Tax interpretations, regulations and legislation are subject to change and as such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the probability that they will be realised from future taxable earnings.

**Expected credit losses** - Trade and other receivables are assessed for impairment at each reporting date by applying the expected credit loss impairment model. Expected credit loss represents management's best estimate and assumptions based on actual credit loss experience and also takes into consideration forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**5. Acquisitions and disposals of subsidiaries**

The Company had the following subsidiary corporations as at June 30, 2022 and 2021:

Name of company	Principal activities	Country of business/ incorporation	Proportion of ordinary shares directly held by the Company	
			2022 %	2021 %
Raffles Financial Private Limited ("RFPL")	Provision of corporate finance advisory services	Singapore	100	100
Marvel Earn Limited ("MEL") (a)	Investment holding	Hong Kong	-	100
Raffles Financial AG ("RFAG") (b)	Provision of corporate advisory services	Switzerland	-	100
Raffles Financial Asset Management Private Limited ("RFAM") (c)	Property fund management	Singapore	-	75
Raffles Financial Limited ("RFL") (d)	Provision of corporate advisory services	Hong Kong	-	-
Raffles Financial Advisory Private Limited ("RFA") (e)	Provision of corporate advisory services	Singapore	-	-
Changsheng Investment Development Limited ("CID") (f)	Investment holding	Hong Kong	-	-

*(a) Acquisition and disposal of Marvel Earn Limited ("MEL")*

On June 29, 2020, the Company entered into a Sales and Purchase agreement with a director of the Company to acquire all the issued and outstanding common shares of MEL for cash payment of S\$18 (HKD\$100) which are equivalent to the net asset values of MEL.

	S\$
Consideration	
Cash	18
Effective settlement of amount due from the directors	3,357,982
Total consideration given	3,358,000

The whole purchase consideration was allocated to investment since MEL has no other asset and liability on the date of acquisition. On March 31, 2021, the Company has granted MEL a waiver of loan receivables from MEL amounting S\$3,358,000.

On October 31, 2021, the Company entered into a share purchase agreement to sell all the issued and outstanding common shares of MEL in consideration of S\$18. There was no gain or loss arising from the disposal of MEL recorded on the disposal date.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**5. Acquisitions and disposals of subsidiaries (Continued)**

*(a) Acquisition and disposal of Marvel Earm Limited ("MEL") (Continued)*

Summary of the effect of disposal on the financial position and cash flows of the Company:

	<b>S\$</b>
Amount due from holding company	18
Net assets in MEL as at October 31, 2021	18
Consideration received	18
Gain/(Loss) recognised on disposal of MEL	-

*(b) Acquisition and disposal of Raffles Financial AG ("RFAG")*

On September 14, 2020, the Company incorporated a new wholly-owned subsidiary in Switzerland, RFAG with S\$151,660 (CHF100,000) paid-up share capital. Its principal activity is provision of advisory and brokerage services for cash listings, corporate financing and restructuring and fund investment advice. RFAG was an inactive company with cash balance equivalent to the paid-up share capital on the acquisition date.

On October 31, 2021, the Company entered into a share purchase agreement to sell all the issued and outstanding common shares of RFAG in consideration of S\$2. As a result, the Company recognised a gain of S\$2.

Summary of the effect of disposal on the financial position and cash flows of the Company:

	<b>S\$</b>
Net assets/liabilities in RFAG as at October 31, 2021	-
Consideration received	2
Gain recognised on disposal of RFAG	2

*(c) Acquisition and disposal of Raffles Financial Asset Management Private Limited ("RFAM")*

On March 19, 2021, the Company incorporated RFAM and contributed S\$75 as the paid-up capital representing 75% of the total share capital of S\$100. The balance S\$25 representing 25% was invested by the NCI Resilience Capital Private Limited.

On December 31, 2021, the Company entered into a share purchase agreement to sell 75% equity interest RFAM in consideration of S\$1. As a result, the Company recognised a loss of S\$74.

Summary of the effect of disposal on the financial position and cash flows of the Company:

	<b>S\$</b>
Other receivables	100
Net assets in RFAM as at December 31, 2021	100
Consideration received	1
Loss recognised on disposal of RFAM	74

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5. Acquisitions and disposals of subsidiaries (Continued)

(d) Acquisition and disposal of Raffles Financial Limited ("RFL")

On July 1, 2021, the Company entered into a sales and purchase agreement to acquire 100% equity interest in Raffles Financial Limited ("RFL") at a consideration of S\$0.18.

On October 31, 2021, the Company entered into a share purchase agreement to sell all the issued and outstanding common shares of RFL in consideration of S\$0.18. As a result, the Company recognised a loss of S\$5,666.

Summary of the effect of disposal on the financial position and cash flows of the Company:

	S\$
Other receivables	8,666
Other payables and accruals	(3,000)
Net assets in RFL as at October 31, 2021	<u>5,666</u>
Consideration received	-
Loss recognised on disposal of RFL	<u>5,666</u>

(e) Acquisition and disposal of Raffles Financial Advisory Private Limited ("RFA")

On August 25, 2021, the Company entered into a sales and purchase agreement with an independent third party to acquire 100% equity interest in RFA (formerly known as Alto Vencap Private Limited) at a cash consideration of S\$2 and a contingent consideration of ten times of the net profit after tax of RFAPL for the financial year ended June 30, 2022, payable in the shares of the Company valued at C\$10 per shares. On the acquisition date, the investment cost recorded in RFA comprising of the cash consideration and the contingent consideration was S\$23,556,802.

On March 31, 2022, the Company entered into a termination and mutual release agreement with the independent third party where the Company and the independent third party agreed to unwind the share and purchase agreement by reversing all the transactions that both parties had entered into pursuant to the share and purchase agreement. The cash consideration received by the independent third party pursuant thereto, shall be returned to the Company in exchange of the rights, title, interest, and property of the Corporation in Shares.

In effect, the Company disposed of the 100% equity interest in RFA to the independent third party at a consideration of S\$2 and release its obligation to pay the contingent consideration to the independent third party. As a result, the Company recognised a gain of S\$1,054,097.

Summary of the effect of disposal on the financial position and cash flows of the Company:

	S\$
Amount due from related party	774
Cash and bank balance	6,185
Other payables and accruals	(1,053,793)
Contingent liabilities	(7,261)
Net assets in RFA as at March 31, 2022	<u>(1,054,095)</u>
Consideration received	2
Gain recognised on disposal of RFA	<u>1,054,097</u>

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**5. Acquisitions and disposals of subsidiaries (Continued)**

*(f) Acquisition and disposal of Changsheng Investment Development Limited ("CID")*

On June 29, 2020, the Company entered into a Sales and Purchase agreement with a director of the Company to acquire all the issued and outstanding common shares of CID for cash payment of S\$1,798 (HKD\$10,000) which are equivalent to the net asset values of CID.

	<b>S\$</b>
Consideration	
Cash	1,798
Effective settlement of amount due from the directors	4,846,846
	4,848,644
Total consideration given	<u>4,848,644</u>

The whole purchase consideration was allocated to investment since CID has no other asset and liability on the date of acquisition.

On June 15, 2021, the Company entered into a share purchase agreement to sell all the issued and outstanding common shares of CID in consideration of S\$4,350,000. On the disposal date, the investment cost in CID was S\$1,798 while the Company granted CID a waiver of loan receivables from CID amounting S\$3,417,175. As a result, the Company recognised a gain of S\$250,000.

Summary of the effect of disposal on the financial position and cash flows of the Company:

	<b>S\$</b>
Financial assets, at fair value through other comprehensive income	4,100,000
Net assets in CID as at June 15, 2021	<u>4,100,000</u>
Consideration received	4,350,000
Gain recognised on disposal of CID	<u>250,000</u>

*(g) Acquisition and deconsolidation of Raffles Infrastructure Capital Limited (formerly Mfund Limited) ("RIC")*

	<b>Number of shares</b>	<b>Amount S\$</b>
Acquired 50% shares of RIC on August 31, 2020	50	9
Entered into Joint Venture Agreement acquiring additional 50 shares for \$9 on November 2, 2020	50	9
Fair value of RIC on November 2, 2020 treated as investment in joint venture	-	-
		<u>(20)</u>
Gain on deconsolidation of subsidiary	<u>                    </u>	<u>(2)</u>

On August 31, 2020, the Company acquired 50% of the outstanding shares of Raffles Infrastructure Capital Limited (formerly Mfund Limited) ("RIC") for S\$9 (HKD\$50), a private company incorporated in Hong Kong with a principal activity of providing infrastructure project funding and advisory services. RIC was an inactive company with small cash balance on the acquisition date.

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**5. Acquisitions and disposals of subsidiaries (Continued)**

(g) *Acquisition and deconsolidation of Raffles Infrastructure Capital Limited (formerly Mfund Limited)*

*("RIC") (Continued)*

On November 2, 2020, the Company entered into a Joint Venture Agreement with Raffles Infrastructure Holding Limited in which both parties agreed to jointly own RIC on a 50:50 basis. In connection with this agreement, the Company acquired an additional 50 shares for a consideration of S\$9 (HKD\$50). As a result of the Joint Venture Agreement, the Company lost control over RIC and the entity was deconsolidated. Accordingly, the operations of RIC from August 31, 2020 to November 1, 2020 were deconsolidated and subsequently accounted for as an investment in a joint venture using the equity method. As a result of deconsolidation, the Company recognise a gain of S\$2.

On April 1, 2021, RIC issued 500 new ordinary shares to In Investments Limited at a consideration of S\$87 (HKD\$500). As a result, the Company's interest in RIC was diluted to 14% and was accounted for as a financial asset, at fair value through other comprehensive income. As at April 1, 2021, the net liabilities of RIC amounted to S\$124. Accordingly, under the cost method, no value was initially recognised in the Company's consolidated financial statement.

During the year, the Company recorded an impairment provision of S\$20 related to this investment.

As of June 30, 2021, the carrying value of the investment was nil.

On October 31, 2021, the Company entered into a sales and purchase agreement to dispose of 14% equity interest in RIC at a consideration of S\$18. On the disposal date, the carrying value of this investment was nil. Accordingly, there was a gain on disposal of equity investment of S\$18 recorded by the Company during the year.

(h) *Acquisition and termination of Bruce Ventures Private Limited ("BV") and Dayou Investment Limited ("DI")*

On December 21, 2021, the Company entered into a share purchase agreement with acquire all of the outstanding share capital of Bruce Ventures Private Limited ("BV") and Dayou Investment Limited ("DI"). Subject to prior approval of the Canadian Securities Exchange, the Company shall complete the acquisition of BV and DI for the purchase price of S\$100 each. Subsequent to the closing of the purchase of BV and DI, the vendors of BV and DI shall be respectively entitled to a performance-based payment equal to ten times BV and DI's audited net profit after tax for the financial periods ending December 31, 2022, payable in the Company's shares valued at C\$10 per share. As of June 30, 2022, such share transaction was not completed nor been taken into effect due to the fact that the condition precedent of the transaction was not fulfilled. Subsequent to the financial year end date, the share purchase agreement was terminated by both parties under mutual agreement.

Summary of gain/(loss) on disposal of subsidiaries

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
CID	-	250,000
RIC	-	2
RFAG	2	-
RFAM	(74)	-
RFL	(5,666)	-
RFA	1,054,097	-
	<u>1,048,359</u>	<u>250,002</u>

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**6. Revenue**

The Company derives revenue from the rendering of services at a point in time and over time in the following type of services:

	<b>At a point in time S\$</b>	<b>Over time S\$</b>	<b>Total S\$</b>
<b>For the year ended June 30, 2022</b>			
Advisory fee	-	-	-
Licensing fee	-	-	-
Retainer fee	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
<b>For the year ended June 30, 2021</b>			
Advisory fee	3,000,000	-	3,000,000
Licensing fee	-	999,880	999,880
Retainer fee	-	1,000,000	1,000,000
	<u>3,000,000</u>	<u>1,999,880</u>	<u>4,999,880</u>

**7. Administrative expenses by nature**

	<b>2022 S\$</b>	<b>2021 S\$</b>
Audit fee	105,288	-
Business development and marketing	86,307	35,773
Contract for services	260,878	617,269
Director fees	236,073	304,371
Office expenses	114,592	71,189
Pension contribution fund	65,006	8,340
Professional fees	153,821	143,138
Rental on operating lease	58,336	83,766
Staff cost	286,612	90,024
Share-based compensation	-	765,499
Transfer agent and regulator fees	61,844	19,633
Travelling and accommodation	-	559
Other expenses	31,588	172,535
<b>Total administrative expenses</b>	<u>1,460,345</u>	<u>2,312,096</u>

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**8. Other income**

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Dividend income received	-	186,555
Fair value gain from acquisition of subsidiary	5,666	-
Gain on disposal of equity investment	18	-
Government grants	4,987	5,870
Interest income	-	4
Others	17,234	16,227
	<u>27,905</u>	<u>208,656</u>

**9. Income tax**

The Cayman Islands and Singapore components of loss before income taxes and provision for income taxes were as follows:

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Loss before income taxes		
Cayman Islands	(549,763)	(1,205,081)
Singapore	(3,228,335)	(2,200,798)
	<u>(3,778,098)</u>	<u>(3,405,879)</u>
Current income tax expense		
Cayman Islands	-	-
Singapore	-	-
	<u>-</u>	<u>-</u>
Deferred income tax		
Cayman Islands	-	-
Singapore	180,920	849,980
	<u>180,920</u>	<u>849,980</u>
	<u>180,920</u>	<u>849,980</u>

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**9. Income tax (Continued)**

The following table reconciles the expected income taxes expense at the statutory income tax rates to the amounts recognised in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2022 and June 30, 2021:

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Net income before tax	(3,778,098)	(3,405,879)
Statutory tax rate	0.00%	0.00%
Expected income tax	<u>0.00</u>	<u>0.00</u>
Difference in foreign jurisdiction tax rates	(589,871)	(253,770)
Non-deductible items	753,015	1,366,985
Income not subject to tax	(173,147)	(259,805)
Others	10,003	(3,430)
Under provision of income tax expense in prior year	180,920	-
<b>Total tax expense</b>	<u>180,920</u>	<u>849,980</u>

The Company's jurisdiction is the Cayman Islands, where the statutory tax rate is 0%.

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax liabilities at June 30, 2022 and 2021 are comprised of the following:

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Unremitted foreign income	(2,107,981)	<u>(2,107,981)</u>
Total deferred tax liabilities	<u>(2,107,981)</u>	<u>(2,107,981)</u>

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**10. Financial assets, at fair value through other comprehensive income ("FVOCI")**  
 Details of financial assets, at FVOCI as at June 30, 2022 and 2021 are as follows:

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
<i>Investment in equity designated at FVOCI</i>		
Listed securities:		
KTL Global Limited ("KTL")	-	58,498
Raffles Infrastructure Holdings Limited ("RIHL")	180,000	780,000
GS Holding Limited ("GSHL")	2,910,268	6,902,556
	<u>3,090,268</u>	<u>7,741,054</u>
Non-listed securities		
Raffles Infrastructure Capital Limited ("RIC")	-	-
	<u>3,090,268</u>	<u>7,741,054</u>

(a) *KTL Global Limited ("KTL")*

	<b>Number of</b>	<b>Amount</b>
	<b>shares</b>	<b>S\$</b>
As at beginning of the year	629,000	58,498
KTL shares disposed by RFPL on July 15, 2021	(629,000)	(37,740)
Loss on disposal of KTL shares	-	(20,757)
As at end of the year	<u>-</u>	<u>-</u>

On July 15, 2021, 629,000 shares of KTL were sold to a non-related party at S\$37,740 which was still outstanding as a receivable and fully impaired as at June 30, 2022. These investments had a fair value of S\$58,498 at the date of disposal. A loss on disposal of S\$20,757 was recorded through other comprehensive income and the cumulative gain on disposal of S\$26,418 was reclassified from fair value reserve to retained earnings.

(b) *Raffles Infrastructure Holdings Limited ("RIHL")*

	<b>Number of</b>	<b>Amount</b>
	<b>shares</b>	<b>S\$</b>
As at beginning of the year	3,000,000	780,000
Fair value loss - As at end of the year	3,000,000	(600,000)
	<u>3,000,000</u>	<u>180,000</u>

There were no transactions on RIHL shares during the current financial year.

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**10. Financial assets, at fair value through other comprehensive income ("FVOCI") (Continued)**  
*(c) GS Holdings Limited ("GSHL")*

	Number of shares	Amount S\$
As at beginning of the year 18,655,555		6,902,556
Fair value loss - As at end of the year 18,655,555		<u>(3,992,288)</u>
There were no transactions on GSHL shares during the current financial year		<u>2,910,268</u>

*(d) Raffles Infrastructure Capital Limited ("RIC")*

	Number of shares	Amount S\$
As at beginning of the year	100	-
RIC shares disposed by RFPL on October 31, 2021	(100)	-
As at end of the year	<u>-</u>	<u>-</u>

On October 31, 2021, the Company entered into a sales and purchase agreement with an associate of the Company's director, In Nany Sing Charlie to dispose of 14% equity interest in RIC at a consideration of S\$18. On the disposal date, the carrying value of this investment was nil. Accordingly, there was a gain on disposal of RIC of S\$18 recorded by the Company during the current financial year.

**11. Other receivables, prepaid expenses and deposits**

	2022 S\$	2021 S\$
Other receivables		
- Non-related parties	7,091,532	8,279,592
Less: Loss allowance	(7,091,532)	<u>(7,053,792)</u>
	-	1,225,800
- Related party	21,761	<u>1,081</u>
	21,761	1,226,881
Prepaid expenses	15,224	59,711
Deposits*	21,216,063	<u>21,236,667</u>
	<u>21,253,048</u>	<u>22,523,259</u>

\*Included in deposits is deposit for Right-to-Use agreement with HuDuoBao Network Technology Co., Ltd.

As at June 30, 2022, the Company had a deposit in the amount of S\$21,216,063 (RMB 102,000,000). On May 20, 2021, the Company entered into a Memorandum of Understanding (the "MOU") to acquire 100% HuDuoBao Network Technology Co., Ltd. ("HDB"). For consideration, the Company made a refundable deposit of RMB 102,000,000 (the "Deposit") for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment.

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**11. Other receivables, prepaid expenses and deposits (Continued)**

In December 2021, the Company entered into a cloud-based system right-to-use agreement ("SaaS Agreement") with HDB to license the Company and its agent(s) right to use HDB's cloud-based emails, 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 ("Right-to-Use") to provide e-commerce integrated solution to merchants. Pursuant to the agreement, the Right-to-Use is on a period of 3 years for a monthly fee of RMB 2,500,000 which can be offset from the Deposit through the utilisation of the Right-to-Use service. However, the Right-to-Use service had not subsequently commenced due to a force majeure situation, where China's authorities accelerated efforts in mass locking down several major cities in China in light of the surging COVID-19 Omicron variant case that hindered HDB and the Company's management to perform the agreement in China. In June 2022, HDB and the Company mutually agreed to an assignment of the SaaS Agreement to a third party in China whereby HDB shall return the deposit in the amount of RMB 102,000,000 (equivalent to S\$21,216,063 as of June 30, 2022 (S\$21,231,667 as of June 30, 2021)) to the Company pursuant to the MOU. In light of the foreign exchange control in China which restricts refund of the Deposit being held by HDB 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. HDB had 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. On March 12, 2024, the Company entered into a deposit refund agreement ("Refund Agreement") whereby the equivalent amount of the Deposit was refunded in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange. On the same date, the Company entered into a nominee shareholding agreement with Chief Executive Officer ("CEO") of the Company, Mr. Huang Chuan, whereby the CEO is granted power of attorney to hold the share of Tencent Holdings Limited in trust in his overseas stock brokerage account on behalf of the Company. As a result of the Refund Agreement, the deposit was refunded during the year in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.

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**12. Cash and cash equivalents**

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Bank balances	226,729	629,855
Cash and cash equivalents in the consolidated statements of financial position and cash flows	226,729	629,855
	<u>226,729</u>	<u>629,855</u>

The currency profile of the Company's cash and cash equivalents is as follows:

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollar	188,867	392,199
United States Dollar	500	573
Hong Kong Dollar	36,260	36,260
Canadian Dollar	1,102	62,828
Switzerland Franc	-	131,607
European Euro	-	6,388
	<u>226,729</u>	<u>629,855</u>

**13. Other payable and accrued liabilities**

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Accrued liabilities	348,444	278,959
Amount due to Directors	610,941	594,417
Amount due to a Joint Venture	-	200,000
	<u>959,385</u>	<u>1,073,376</u>

Amounts due to Directors are unsecured, interest-free and repayable on demand.

**14. Commitments**

The future minimum lease payable under lease contracted for at the reporting date but not recognised as liabilities, is as follows:

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Not later than one year	<u>-</u>	<u>16,667</u>

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15. Share capital

	Number of common shares	S\$
<b>Balance at June 30, 2020</b>	50,080,000	25,875,920
Shares issued for stock options exercised	<u>25,000</u>	<u>223,671</u>
<b>Balance at June 30, 2021 and 2022</b>	<u>50,105,000</u>	<u>26,099,591</u>

On April 15, 2021, the Company issued 25,000 common shares for gross proceeds of S\$133,150 (C\$125,000) pursuant to the exercise of 25,000 stock options at an exercise price of C\$5. The market price at spot were C\$9.42 per common share, resulted in increase in share capital of S\$223,671 (C\$235,500).

**Stock options**

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors. On May 11, 2020, the Company issued 300,000 stock options with an exercise price of C\$5.00 per share, at a fair value of C\$1,019,754. These stock options are subject to vesting provisions such that 25% of the options vest three months from the date of grant, 25% of the stock options vest six months from the date of grant, 25% of the stock options vest nine months from the date of grant and 25% of the stock options vest twelve months from the date of grant. The fair value per option was C\$3.40. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, a risk-free rate of 0.38%, a forfeiture rate of 0%, and volatility of 100%. During the year ended June 30, 2022, the Company recorded no share-based compensation (2021: S\$765,499 (C\$728,492)) in relation to these stock options.

	Number of options	Exercise price C\$	Expiry date
<b>Balance outstanding at June 30, 2019</b>	-	5.00	
Granted	300,000	<u>5.00</u>	May 11, 2025
<b>Balance outstanding at June 30, 2020</b>	300,000	5.00	
Exercised	(25,000)	<u>5.00</u>	
<b>Balance outstanding at June 30, 2021 and 2022</b>	275,000	<u>5.00</u>	
<b>Balance exercisable at June 30, 2021 and 2022</b>	<u>275,000</u>	<u>5.00</u>	

**Dividends**

During the year ended June 30, 2022, the Company did not declare any dividends. On June 23, 2021, the Company paid an interim dividend of C\$0.0908093 per common share, totalling S\$4,969,633 (C\$4,550,000).

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**16. Related party transactions**

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Company and related party at the terms agreed between the parties. Transaction entered into between the related parties and Raffles Financial Private Limited, the wholly owned subsidiary of the Company

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Rental expenses paid to related parties - 16,810	<u>16,810</u>	<u>16,810</u>

Related party refers to the Company which is controlled by the Company's directors and their close family members.

*Key management personnel compensation*

Transaction entered into between the related parties and the Company

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Director fees	236,073	304,371
Contract for services	35,454	34,519
Share-based compensation	-	765,499
	<u>271,527</u>	<u>1,104,389</u>

Transaction entered into between the related parties and Raffles Financial Private Limited, the wholly owned subsidiary of the Company

	<b>2022</b>	<b>2021</b>
	<b>S\$</b>	<b>S\$</b>
Contract for services	<u>60,000</u>	<u>530,250</u>

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the fair value, which is the amount of consideration established and agreed to by the related parties.

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**17. Segmental information**

	Singapore S\$	United States S\$	Malaysia S\$	Hong Kong S\$	China S\$	Canada S\$	Switzerland S\$	Total S\$
<b>Year ended June 30, 2022</b>								
Revenue	-	-	-	-	-	-	-	-
<b>Year ended June 30, 2021</b>								
Revenue	-	-	4,000,000	-	999,880	-	-	4,999,880
<b>As at June 30, 2022</b>								
Cash	188,867	500	-	36,260	-	1,102	-	226,729
Current and total assets	3,316,120	500	-	36,260	21,216,063	1,102	-	24,570,045
<b>As at June 30, 2021</b>								
Cash	392,199	573	-	36,	-	62,	137,99	629,855
Current and total assets	9,408,527	573	-	260	21,231,667	828	5,137	30,894,168
				36,		79,	,995	
<b><u>Segment revenue</u></b>				260		146		

Segment revenue has been based on the geographic location of customers. The Company did not derive any revenue from rendering of services during the financial year ended June 30, 2022 and 2 major customers each contributed more than 10% of the Company's total revenue during the financial year ended June 30, 2021.

	2022 S\$	2021 S\$
Customer 1	-	4,000,000
Customer 2	-	999,880
	-	<u>4,999,880</u>

**Segment assets**

Segment assets has been based on the geographic location of the assets.

**Segment liabilities**

~~Segment liabilities~~ information is not included in the internal management disclosures are made on segment liabilities.

reports. Hence, no

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

18. Financial instruments and financial risk management

**Classification of financial instruments:**

	2022 S\$	2021 S\$
<u>Financial assets</u>		
Financial assets, at FVTOCI	3,090,268	7,741,054
Other receivables and deposits	21,237,824	22,463,548
Cash and cash equivalents	226,729	629,855
	<u>24,554,821</u>	<u>30,834,457</u>
<u>Financial liabilities</u>		
Other payable and accrued liabilities	<u>959,385</u>	<u>1,073,376</u>

**Financial risks factors**

The Company's activities expose it to credit risk, liquidity risk, currency risk, equity price risk and capital risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance. The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. This includes establishing detailed policies such as risk identification, measurement and exposure limits.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits and trade and other receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

Cash are placed with banks and financial institutions with high credit-ratings assigned by international credit rating agencies. Trade receivables are substantially companies with a good collection track record.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments present on the statement of financial position.

The Company has applied the simplified approach to measure the lifetime expected credit losses for trade receivables.

In measuring the expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company has considered the customers' available credit history and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

18. Financial instruments and financial risk management (Continued)

***Financial risks factors (Continued)***

(a) *Credit risk (Continued)*

The Company performs ongoing reviews on the collectability of its trade receivables in order to mitigate any potential credit losses. The definition of trade receivables that are past due is determined by reference to terms agreed upon with individual customers. No trade receivables have been challenged by the respective customers and the Company continues to conduct business with them on an ongoing basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as counterparty failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Based on management assessment, cash and receivables as at June 30, 2022 are not subject to any material credit losses after recognising a bad debt provision of S\$3,447,227 during the year ended June 30, 2022.

*Liquidity risk*

(b)

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operating commitments. As at June 30, 2022, all the financial liabilities of the Company are due within 12 months. Balance due within 12 months equal their carrying amounts as the impact of discounting is not significant.

(c) *Currency risk*

The functional currency is C\$ for the Company and S\$ for RFPL. The Company is exposed to currency risk primarily through its cash and deposit balances that are denominated in foreign currencies. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk related to these cash and deposit balances is currently considered significant.

Foreign currency risk sensitivity analysis

	Base Value	Strengthening	Weakening	Impact	Impact
	S\$	(+5%)	(-5%)	(+5%)	(-5%)
	S\$	S\$	S\$	S\$	S\$
Canadian Dollar	1,102	1,157	1,047	55	(55)
United States Dollar	500	525	475	25	(25)
Hong Kong Dollar	36,260	38,073	34,447	1,813	(1,813)
Chinese Renminbi	21,216,063	22,276,866	20,155,260	1,060,803	(1,060,803)
	<u>21,253,925</u>	<u>22,316,621</u>	<u>20,191,229</u>	<u>1,062,696</u>	<u>(1,062,696)</u>

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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18. Financial instruments and financial risk management (Continued)

***Financial risks factors (Continued)***

(c) *Currency risk (Continued)*

As at June 30, 2022, the Company held foreign currency cash and cash equivalents and deposit totalling S\$21,253,925. A 5% strengthening or weakening of the Singapore Dollar against the respective foreign currencies would have resulted in a decrease or increase in the value of these balances by approximately S\$1,062,696. This analysis assumes that all other variables remain constant.

(d) *Equity price risk*

The Company is exposed to equity price risk arising from its investments in quoted equity instruments which are classified as financial assets at FVOCI. The Company has a concentration of equity price risk due to one of its investments being worth a significant amount of its portfolio. Equity price risk arises from fluctuations in the market prices of these shares due to market volatility, changes in investor sentiment, and specific performance of the investee companies. The risk is managed through regular monitoring of the investment portfolio, diversification where applicable, and adherence to established investment policies. At the reporting date, if the market prices of the quoted equity investments had increased or decreased by 10%, with all other variables held constant, the Company's other comprehensive income would have increased or decreased by approximately S\$309,000 (2021: S\$774,100), mainly as a result of changes in the fair value of quoted equity investments.

(e) *Capital risk*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares. The Company is not subject to any externally imposed capital requirements.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

18. Financial instruments and financial risk management (Continued)

***Financial risks factors (Continued)***

*Fair value measurements*

(f)

Fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of current financial assets and liabilities other than the investment approximate their carrying amounts due to the short term nature. The equity investments at FVOCI include shares in publicly traded companies listed on a stock exchange. The fair value of equity investments at FVOCI is determined based on a market approach reflecting the closing price of each particular security at the consolidated financial position date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore equity investments at FVOCI are classified within Level 1 of the fair value hierarchy.

19. Significant events

- a) On December 21, 2021, the Company entered into a share purchase agreement to acquire all of the outstanding share capital of Bruce Ventures Private Limited ("BV"), a Singapore-based company providing commercial-used hardware and software sales and solutions, and Dayou Investment Limited ("DI"), a Hong Kong-based company supplying various B2B computing hardware and software to clients in Hong Kong, Vietnam, Thailand, Malaysia and Indonesia. Subject to prior approval of the Canadian Securities Exchange, the Company shall complete the acquisition of BV and DI for the purchase price of S\$100 (C\$93.71) each. Subsequent to the closing of the purchase of BV and DI, the Vendors of BV and DI shall be respectively entitled to a performance-based payment equal to ten times BV and DI's audited net profit after tax for the financial periods ended December 31, 2022, payable in the Company's shares valued at C\$10 per share.

However, such share transaction was not completed nor been taken into effect due to the fact that the condition precedent of the transaction was not fulfilled in light of a cease trading order in place and failure to commence the proposed business in China due to the prolong COVID-19 pandemic. Subsequently on October 31, 2022, both parties entered into a termination and mutual release agreement from the share purchase agreements with the two independent parties.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**19. Significant events (Continued)**

- a) Before reaching the decision of termination and mutual release from the share purchase agreements, the Company had been in negotiation with two potential Chinese corporate finance experts, Mr. Huang Chuan and Mr. Xu Zhiyang who had expressed their interest in collaboration with the Company in the form of contributing profit to the Company in exchange for a performance-based reward in a stake form based on future earnings.

In order to achieve such collaboration, Mr. Huang Chuan and Mr. Xu Zhiyang had taken over 100% interests in BV and DI respectively upon the aforesaid termination. Then on November 4, 2022, Mr. Huang Chuan and Mr. Xu Zhiyang entered into share purchase agreements with RFPL, pursuant to which:

- (i) RFPL shall acquire all of the outstanding share capital of BV (subsequently changed its name to Asia Oaktree Financial Private Limited ("AOF")) and DI (subsequently changed its name to Raffles Financial Technology (China) Limited ("RFTC")) respectively at a consideration of S\$100 (C\$96) each;
- (ii) subject to the Company's shareholders and necessary approval from relevant authorities, Mr. Huang Chuan and Mr. Xu Zhiyang shall be respectively entitled to a performance-based payment payable in terms of:
- a) a share consideration equivalent to 25% of the interest in the total issued shares capital of RFPL on a post-transaction basis, shall the AOF and RFTC deliver an audited net profit after tax ("NPAT") for the financial year ending December 31, 2023 of S\$10,000,000; or
- b) a share consideration of ten times of the AOF and RFTC's NPAT for the financial year ending December 31, 2023 payable in the shares of the Company valued at C\$3.30 per shares at a cap of 30,303,030 shares.

On July 31, 2023, Mr. Xu Zhiyang, RFPL and the Company entered into an novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in RFTC under the original share purchase agreement ("Original Agreement 1") dated November 4, 2022 to the Company as the new purchaser of RFTC. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 1 and to be bound by its terms in every way as if it were named in the Original Agreement 1 in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Xu Zhiyang in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall RFTC deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of RFTC's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**19. Significant events (Continued)**

a) On December 1, 2023, Mr. Huang Chuan, Oaktree International Financial Limited ("OIF"), AOF, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in AOF under the original share purchase agreement ("Original Agreement 2") dated November 4, 2022 to the Company, and to supersede the original target corporation, AOF by a new target corporation, OIF. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 2 and to be bound by its terms in every way as if it were named in the Original Agreement 2 in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Huang Chuan in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall OIF deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of OIF's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

On August 28, 2024, 100,000 shares representing 100% interest in RFTC (subsequently changed its name to Oaktree Financial Limited ("OFHK")) was transferred to the Company from Mr. Xu Zhiyang, representing that the acquisition pursuant to the novation agreement dated July 31, 2023 was affected. No performance-based consideration was paid as OFHK did not achieve a positive NPAT. On the same date, 100 shares representing 100% interest in OIF was transferred to the Company from Mr. Huang Chuan, representing that the acquisition pursuant to the novation agreement dated December 1, 2023 was affected. No performance-based consideration was paid as OIF did not achieve a positive NPAT.

b) On November 1, 2021, the Company announced that it will miss its filing deadline of October 28, 2021 (the "Filing Deadline"), to file its audited annual financial statements and accompanying management's discussion and analysis and related Chief Executive Officer and Chief Financial Officer certifications for the year ended June 30, 2021 (collectively, the "Annual Filings"). As a result of not filing the Annual Filings by the Filing Deadline, the Company became subject to a cease trade order (the "CTO") issued by the British Columbia Securities Commission (the "BCSC") that will prohibit the trading in all securities of the Company by securityholders of the Company and will remain in effect until revoked by the BCSC.

**RAFFLES FINANCIAL GROUP LIMITED  
AND ITS SUBSIDIARIES**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED JUNE 30, 2021**  
(Expressed in Singapore Dollars)

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**INDEPENDENT AUDITOR'S REPORT  
TO THE SHAREHOLDERS OF  
RAFFLES FINANCIAL GROUP LIMITED**

**HML PLT**  
LLP004524-LCA & 201504000748  
CHARTERED ACCOUNTANTS AF 002152  
1-23B Jalan Desa 1/3  
Desa Aman Puri  
52100 Kuala Lumpur, Malaysia  
Tel 603 – 6273 4543  
Fax 603 – 6273 4542  
Email [audit@hml.com.my](mailto:audit@hml.com.my)

**Opinion**

We have audited the consolidated financial statements of Raffles Financial Group Limited and its subsidiaries (collectively referred to as the "Company"), which comprise the consolidated statements of financial position as at June 30, 2021, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at June 30, 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Key audit matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Revenue recognition**

Refer to Note 3.5 – Accounting policies: Revenue recognition and Note 7.

**The key audit matter**

The Company recorded a revenue of S\$4,999,880 for the year ended June 30, 2021.

We have identified the revenue recognition as a key audit matter due to the quantum of revenue, the potential complexity of the underlying arrangements, and the judgment involved in determining the timing and measurement of revenue in accordance with IFRS 15 Revenue from Contracts with Customers. This includes assessing whether performance obligations were satisfied and whether revenue was recognised in the appropriate accounting period.

**How the matter was addressed in our audit**

We performed the following audit procedures, among others:

- Understanding and evaluating the Company's revenue recognition policy and ensuring its compliance with IFRS 15;
- Read the terms and conditions of agreements with customers;
- Testing sample of revenue transactions to supporting documentation such as invoices and contracts to confirm occurrence and timing of revenue recognition;
- Assessing the nature of revenue streams such as advisory fee, licensing fee or retainer fee; and
- Evaluating the adequacy of disclosures in the consolidated financial statements relating to revenue recognition.

**Recoverability of Deposits**

Refer to Note 12 – Trade, other receivables, prepaid expenses and deposits

**The key audit matter**

The Company recorded deposits of S\$21,236,667 for the year ended June 30, 2021. A significant portion of the deposits, S\$21,231,667 which is material and may not be directly tied to routine operational transactions.


We have identified the deposits as key audit matter due to the materiality of the balances and the subjective nature of accessing the recoverability of this area involves significant management judgment, particularly in evaluating the credit risk of counterparties, commercial substance of arrangements, and the timing and probability of recovery.

**How the matter was addressed in our audit**

We performed the following audit procedures, among others:

- Obtaining and reviewing agreements for the arrangement on the refundable deposit;
- Obtaining deposit refund agreement, examining terms of the agreement and assess if the deposit was refunded to the Company;
- Obtaining nominee shareholding agreement, examine terms of the agreement and considered substantive rights of the Company over the Hong Kong-listed equity shares and determined that the shares are held in trust by the CEO;
- Agreeing the number of Hong Kong-listed equity shares held in trust by the CEO to his personal overseas stock brokerage account and obtained third-party broker confirmation; and
- Assessing adequacy and reasonableness of disclosures in the consolidated financial statements.

**Other Matter**

The consolidated financial statements for the year ended June 30, 2020 were audited by another auditor who expressed an unmodified opinion on those consolidated financial statements on October 28, 2020. 

### **Other Information**

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### **Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Ho Mee Ling.

Kuala Lumpur, Malaysia  
18 June 2025



HML PLT  
Chartered Accountants

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED JUNE 30, 2021 AND 2020**  
 (Expressed in Singapore Dollars)

	Note	2021 S\$	2020 S\$
Revenue	7	4,999,880	8,866,672
Expenses			
Administrative	8	(2,312,096)	(1,565,443)
<b>Income before other items and income tax</b>		<b>2,687,784</b>	<b>7,301,229</b>
<b>Other items</b>			
Other income	9	208,656	5,849
Gain on redemption of a convertible loan	13	390,000	-
Gain on disposal of subsidiaries	6	250,002	-
Impairment loss on other receivables	12	(7,053,792)	-
Foreign exchange gain/(loss)		111,471	(331,115)
Loss on settlement of receivable		-	(22,498)
Listing expenses	5	-	(6,052,280)
<b>Net (loss)/income before income tax</b>		<b>(3,405,879)</b>	<b>901,185</b>
Income tax expense	10	(849,980)	(1,326,414)
<b>Net loss for the year</b>		<b>(4,255,859)</b>	<b>(425,229)</b>
<b>Other comprehensive (loss)/income:</b>			
<b>Items that may be reclassified subsequently to profit or loss</b>			
Foreign currency translation		1,060,949	171,205
Unrealised (loss)/gain on investments		(6,813,075)	4,748,139
<b>Other comprehensive (loss)/income for the year, net of tax</b>		<b>(5,752,126)</b>	<b>4,919,344</b>
<b>Total comprehensive (loss)/income for the year</b>		<b>(10,007,985)</b>	<b>4,494,115</b>
<b>Net loss attributable to:</b>			
Owners of the Company		(4,255,083)	(425,229)
Non-controlling interest		(776)	-
<b>Net loss for the year</b>		<b>(4,255,859)</b>	<b>(425,229)</b>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED****CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME  
FOR THE YEAR ENDED JUNE 30, 2021 AND 2020**  
(Expressed in Singapore Dollars)

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	Note	2021 S\$	2020 S\$
<b>Total comprehensive(loss)/income attributable to:</b>			
Owners of the Company		(10,007,209)	4,494,115
Non-controlling interest		<u>(776)</u>	<u>-</u>
<b>Total comprehensive(loss)/income for the year</b>		<u>(10,007,985)</u>	<u>4,494,115</u>
<b>Basic and diluted loss per share</b>		<u>(0.08)</u>	<u>(0.05)</u>
<b>Weighted average number of common shares outstanding – basic</b>		<u>50,085,205</u>	<u>8,483,497</u>
<b>Weighted average number of common shares outstanding – diluted</b>		<u>50,360,205</u>	<u>8,483,497</u>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

**AS AT JUNE 30, 2021 AND 2020**  
(Expressed in Singapore Dollars)

	Note	2021 S\$	2020 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Financial assets, at FVOCI	11	7,741,054	12,954,783
Trade, other receivables, prepaid expenses and deposits	12	22,523,259	735,303
Cash and cash equivalents	14	629,855	21,040,893
		<u>30,894,168</u>	<u>34,730,979</u>
<b>TOTAL ASSETS</b>		<u>30,894,168</u>	<u>34,730,979</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payable and accrued liabilities	15	1,073,376	215,952
Current income tax liabilities		1,983,370	2,029,080
		<u>3,056,746</u>	<u>2,245,032</u>
<b>Non-current liabilities</b>			
Deferred income tax liabilities	10	2,107,981	1,258,001
<b>Total liabilities</b>		<u>5,164,727</u>	<u>3,503,033</u>
<b>NET ASSETS</b>		<u>25,729,441</u>	<u>31,227,946</u>
<b>EQUITY</b>			
Share capital	17	26,099,591	25,875,920
Contributed surplus		945,194	297,610
Accumulated other comprehensive income		(832,782)	4,919,344
Retained earnings		(481,806)	135,072
Total equity attributable to Raffles		25,730,197	31,227,946
Non-controlling interest		(756)	-
<b>TOTAL EQUITY</b>		<u>25,729,441</u>	<u>31,227,946</u>
<b>TOTAL LIABILITIES AND EQUITY</b>		<u>30,894,168</u>	<u>34,730,979</u>

Approved and authorised by the Board on 18 June 2025

Approved on behalf of the Board:

*"Abigail Zhang Liying"*  
Director

*"Charlie In Nany Sing"*  
Director

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**

**FOR THE YEAR ENDED JUNE 30, 2021 AND 2020**

(Expressed in Singapore Dollars)

	Note	Number of shares	Share capital S\$	Contributed surplus S\$	Accumulated other comprehensive income/(loss) S\$	Retained earnings S\$	Non-controlling interests S\$	Total equity S\$
<b>Balance as at June 30, 2019</b>		100,000	100,000	-	-	560,301	-	660,301
Recapitalisation on reverse take-over	17	45,950,000	5,327,700	-	-	-	-	5,327,700
Shares issued for finders' fees on reverse take-over	17	30,000	152,220	-	-	-	-	152,220
Shares issued for cash	17	4,000,000	20,296,000	-	-	-	-	20,296,000
Share-based compensation		-	-	297,610	-	-	-	297,610
Foreign currency translation		-	-	-	171,205	-	-	171,205
Change in fair value of FVOCI investments		-	-	-	4,748,139	-	-	4,748,139
Net loss for the year		-	-	-	-	(425,229)	-	(425,229)
		<u>50,080,000</u>	<u>25,875,920</u>	<u>297,610</u>	<u>4,919,344</u>	<u>135,072</u>	-	<u>31,227,946</u>
<b>Balance as at June 30, 2020</b>		25,000	223,671	-	-	-	-	31,227,946
Stock options exercised	17	-	-	(117,915)	-	-	-	105,756
Share-based compensation	17	-	-	765,499	1,060,949	-	-	765,499
Foreign currency translation		-	-	-	-	-	9	1,060,949
Acquisition of RIC	6	-	-	-	-	-	-	9
Derecognition of RIC	6	-	-	-	1,794,763	-	11	11
Change in fair value of FVOCI investments		-	-	-	-	-	-	1,794,763
Reclassification of gain on disposal of FVOCI investments		-	-	-	-	8,607,838	-	-
Dividends	17	-	-	-	-	(4,969,633)	-	(4,969,633)
Net loss for the year		-	-	-	-	(4,255,083)	(776)	(4,255,859)
		<u>50,105,000</u>	<u>26,099,591</u>	<u>945,194</u>	<u>(832,782)</u>	<u>(481,806)</u>	<u>(756)</u>	<u>25,729,441</u>
<b>Balance as at June 30, 2021</b>								

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2021 AND 2020  
(Expressed in Singapore Dollars)**

	Note	2021 S\$	2020 S\$
<b>Cash flows provided by operating activities</b>			
Net loss for the year		(4,255,859)	(425,229)
Adjustment for:			
- Impairment loss on other receivables		7,053,792	-
- Income tax expense		849,980	1,326,414
- Foreign exchange (gain)/loss		(111,471)	331,115
- Listing expenses		-	6,052,280
- Referral fees for disposal of financial assets, at FVOCI		102,500	-
- Dividend income from equity investment measured at FVOCI		(186,555)	-
- Loss on settlement of receivable		-	22,498
- Gain on redemption of a convertible loan		(390,000)	-
- Interest income		(4)	-
- Gain on disposal of subsidiary	6	(250,002)	-
- Share-based compensation		765,499	297,610
<b>Operating cash flow before changes in working capital</b>		<b>3,577,880</b>	<b>7,604,688</b>
Changes in working capital:			
- Trade, other receivables, prepaid expenses and deposits		(18,124,625)	6,737,803
- Other payable and accrued liabilities		(1,752,133)	(7,297,837)
- Tax paid		(45,710)	-
<b>Net cash (used in)/provided by operating activities</b>		<b>(16,344,588)</b>	<b>7,044,654</b>
<b>Cash flows provided by investing activities</b>			
Investment in subsidiary	6	(75)	(8,206,644)
Net cash payment for reverse takeover	5	-	(698,171)
Dividend received		186,555	-
Convertible loan receivable		(450,000)	-
<b>Net cash used in investing activities</b>		<b>(263,520)</b>	<b>(8,904,815)</b>
<b>Cash flows provided by financing activities</b>			
Proceeds from issuance of shares		-	20,296,000
Proceeds from stock options exercised		133,150	-
Dividends paid		(4,969,633)	-
<b>Net cash (used in)/provided by financing activities</b>		<b>(4,836,483)</b>	<b>20,296,000</b>

*The accompanying notes form an integral part of these consolidated financial statements*

**RAFFLES FINANCIAL GROUP LIMITED**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2021 AND 2020**  
(Expressed in Singapore Dollars)

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	<b>Note</b>	<b>2021 S\$</b>	<b>2020 S\$</b>
Effect of foreign exchange on cash		1,033,553	502,320
<b>Net (decrease)/increase in cash</b>		<b>(20,411,038)</b>	<b>18,938,159</b>
<b>Cash</b>			
Cash, beginning of year		21,040,893	<u>2,102,734</u>
<b>Cash, end of year</b>		<u><b>629,855</b></u>	<u><b>21,040,893</b></u>

*The accompanying notes form an integral part of these consolidated financial statements*

## RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

### CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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#### 1. General information

Raffles Financial Group Limited (formerly Explorex Resources Inc.) (the "Company") was incorporated under the Business Corporations Act (British Columbia) on January 6, 2011. The head office of the Company is located at 3 Fraser Street, #08-21, Singapore, 189352. The principal activity of the Company is the provision of corporate finance advisory services.

On April 29, 2020, Explorex Resources Inc. ("Explorex") changed its name to Raffles Financial Group Limited and changed its corporate jurisdiction from British Columbia to the Cayman Islands. The Company's common shares are listed on Canadian Securities Exchange under symbol "RICH". The trading in the Company's common shares was suspended effective from January 6, 2022 by a cease trade order issued by the Ontario and British Columbia Securities Commission.

Raffles Financial Private Limited ("RFPL") was incorporated on July 5, 2018 and domiciled in Singapore.

On April 29, 2020, the Company completed the share exchange agreement related to acquiring all the issued and outstanding shares of RFPL (Note 5). Pursuant to the share exchange agreement, the Company consolidated its outstanding share capital on the basis of 25.94 old shares to one new share, such that 1,050,000 shares were outstanding immediately before closing, issued 45,000,000 post-consolidation shares to the shareholders of RFPL, paid cash consideration of C\$150,000 and issued 30,000 post-consolidation shares as finder's fee, and completed a private placement of 4,000,000 post-consolidation shares. In addition, the Company issued a total of 72,096 warrants to the existing warrant holders of Explorex Resources Inc. with an exercise price of C\$12.97 per share and same existing expiry dates. The transaction was accounted for as an acquisition of the Company by RFPL, resulting in a reverse take-over ("RTO").

The Company's subsidiaries currently operate in Singapore, Hong Kong, and Switzerland.

The principal activities of the subsidiaries are disclosed in Note 3.1 to the consolidated financial statements.

For the purposes of these consolidated financial statements, the "Company" is defined as the consolidated entity.

These consolidated financial statements for the year ended June 30, 2021 were authorised for issue by the Board of Directors on 18 June 2025.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**2. Basis of preparation**

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRSs”).

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at revalued amounts or fair values, as explained in the significant accounting policies below. In addition, the consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow disclosure.

The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are represented in Singapore Dollar (“S\$”). The functional currency of the parent company is the Canadian Dollar (“C\$”), the functional currency of Raffles Financial Private Limited and Raffles Financial Asset Management Private Limited is the S\$, the functional currency of Marvel Earn Limited is the Hong Kong Dollar (“HKD”) and the functional currency of Raffles Financial AG is the Swiss Franc (“CHF”).

*New and amended standards*

In the current financial year, the Company has adopted all the amendments that are relevant to its operations and effective for the current financial year. Adoption of these amendments in the current financial year had no impact on the Company’s consolidated financial statements.

*Standards issued but not yet effective*

The Company has not early applied the following new and amended standards that have been issued but are not yet effective:

Title	Effective date (annual periods beginning on or after)
<i>Interest Rate Benchmark Reform—Phase 2</i> (Amendment to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)	January 1, 2021
<i>Covid-19-Related Rent Concessions beyond June 30, 2021</i> (Amendment to IFRS 16)	April 1, 2021
Annual Improvements to IFRS Standards 2018-2020 <i>Reference to the Conceptual Framework</i> (Amendments to IFRS 3)	January 1, 2022
<i>Property, Plant and Equipment—Proceeds before Intended Use</i> (Amendments to IAS 16)	January 1, 2022
<i>Onerous Contracts—Cost of Fulfilling a Contract</i> (Amendments to IAS 37)	January 1, 2022
<i>Disclosure of Accounting Policies</i> (Amendment to IAS 1 and IFRS Practice Statement 2)	January 1, 2023
<i>Definition of Accounting Estimates</i> (Amendments to IAS 8)	January 1, 2023
<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i> (Amendments to IAS 12)	January 1, 2023
<i>Initial Application of IFRS 17 and IFRS 9—Comparative Information</i> (Amendment to IFRS 17)	January 1, 2023
<i>International Tax Reform—Pillar Two Model Rules</i> (Amendments to IAS 12)	January 1, 2023
<i>Classification of Liabilities as Current or Non-current</i> (Amendments to IAS 1)	January 1, 2024
<i>Non-current Liabilities with Covenants</i> (Amendments to IAS 1)	January 1, 2024
<i>Lease Liability in a Sale and Leaseback</i> (Amendments to IFRS 16)	January 1, 2024
<i>Supplier Finance Arrangements</i> (Amendments to IAS 7 and IFRS 7)	January 1, 2024
<i>Lack of Exchangeability</i> (Amendments to IAS 21)	January 1, 2025

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

2. Basis of preparation (Continued)

Title	Effective date (annual periods beginning on or after)
<i>Amendments to the Classification and Measurement of Financial Instruments</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2026
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026
<i>Contracts Referencing Nature-dependent Electricity</i> (Amendments to IFRS 9 and IFRS 7)	January 1, 2027
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	January 1, 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	Deferred
<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> (Amendments to IFRS 10 and IAS 28)	

The Company intends to adopt these new and amended standards, if applicable, when they become effective. Except as described below, the new and amended standards are not expected to have a material impact on the Company's consolidated financial statements.

**Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)**

The amendments provide guidance and examples to help entities apply materiality judgments to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to IAS 1 are applicable for annual periods beginning on or after January 1, 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**IFRS 18 *Presentation and Disclosure in Financial Statements***

IFRS 18 will replace IAS 1 *Presentation of Financial Statements* and applies for annual reporting periods beginning on or after January 1, 2027. The new standard introduces the following key new requirements.

- Entities are required to classify all income and expenses into five categories in the statement of income, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities' net profit will not change.
- Management-defined performance measures (MPMs) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Company is still in the process of assessing the impact of the new standard.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

**3. Significant accounting policies**

**3.1 Basis of consolidation**

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, RFPL acquired on April 29, 2020, Marvel Earn Limited acquired on June 29, 2020 and Raffles Financial AG incorporated on September 14, 2020. In addition, the Company has a 75% interest in Raffles Financial Asset Management Private Limited incorporated on March 19, 2021. All significant intercompany accounts and transactions between the Company and its subsidiaries have been eliminated upon consolidation.

Particulars of subsidiaries are set out below:

Name of subsidiaries	Country of incorporation/ Principal place of business	Effective equity interest held by the Company (%)		Principal activities
		2021	2020	
<b>Held directly by the Company</b>				
Raffles Financial Private Limited ("RFPL")	Singapore	100	100	Provision of corporate finance advisory services
<b>Held by RFPL</b>				
Changsheng Investment Development Limited ("CID")	Hong Kong	-	100	Investment holding
Marvel Earn Limited ("MEL")	Hong Kong	100	100	Investment holding
Raffles Financial AG ("RFAG")	Switzerland	100	-	Provision of corporate advisory services
Raffles Financial Asset Management Private Limited ("RFAM")	Singapore	75	-	Asset management and advisory services

Subsidiaries are entities (including structured entities) (i) over which the Company has power and the Company is (ii) able to use such power to (iii) affect its exposure, or rights, to variable returns from them through its involvement with them.

The Company reassesses whether it controls the subsidiaries if facts and circumstance indicate that there are changes to the one or more of the three elements of control.

When the Company has less than a majority of the voting rights of an investee, it still has power over the investee when the voting rights are sufficient, after considering all relevant facts and circumstances, to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers, among others, the extent of its voting rights relative to the size and dispersion of holdings of the other vote holders, currently exercisable substantive potential voting rights held by all parties, rights arising from contractual arrangements and voting patterns at previous shareholders' meetings.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.1 Basis of consolidation (Continued)**

Subsidiaries are consolidated from the date on which control is transferred to the Company up to the effective date on which control ceases, as appropriate.

Intra-group assets and liabilities, equity, income, expenses and cashflows relating to intragroup transactions are eliminated on consolidation.

The financial statements of the subsidiaries used in the preparation of the amended consolidated financial statements are prepared for the same reporting date as that of the Company. Where necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Company.

Non-controlling interests are identified separately from the Company's equity therein. On an acquisition-by-acquisition basis, non-controlling interests may be initially measured either at fair value or at their proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Losses in the subsidiary are attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Company's investment in its associate is accounted for using the equity method.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.1 Basis of consolidation (Continued)**

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Company's share of net assets of the associate since the acquisition date. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of income reflects the Company's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Company's other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Company recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. When necessary, adjustments are made to bring the accounting policies in line with those of the Company.

After application of the equity method, the Company determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Company determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss in the statements of income.

Upon loss of significant influence over the associate, the Company measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

3. Significant accounting policies (Continued)

3.2 Leases

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed. The Company has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

3.3 Cash

Cash consists of unrestricted bank deposits, some of which are interest-bearing.

3.4 Financial instruments

The classification of a financial asset or liability is determined at the time of initial recognition. The Company does not enter into derivative contracts.

(i) Financial assets

A financial asset is recognised when the Company has the contractual right to collect future cash flows. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. Financial assets are recorded at fair value through profit or loss ("FVTPL"), fair value through other comprehensive income ("FVOCI") or amortised cost. In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Cash is initially recorded at their fair value and carried at amortised cost. Trade and other receivables are initially recorded at their fair value, less transaction costs and subsequently carried at amortised cost using the effective interest method less impairment losses, if any.

Investments in equity instruments, where the Company cannot exert significant influence and the investments are not held for trading purpose, are reclassified as FVOCI.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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3. Significant accounting policies (Continued)

3.4 Financial instruments (Continued)

Impairment of financial assets The Company recognises a loss allowance by applying the expected credit losses ("ECL") model on the Company's financial assets carried at amortised cost. The amount of the impairment is the difference between the asset's carrying amount and the present value of the estimated future cash flows, discounted at the financial asset's original effective interest rate.

Financial assets, other than those at FVTPL and amortised cost, are assessed for indicators of impairment at each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impacted.

De-recognition of financial assets

A financial asset is derecognised when the contractual right to the asset's cash flows expire or the Company transfers the financial asset and substantially all risks and rewards of ownership to another entity.

*(ii) Financial liabilities*

The Company classifies its financial liabilities in the following category: Amortised cost A

financial liability is recognised when the Company has the contractual obligation to pay future cash flows. Financial liabilities such as accounts payable and accrued liabilities are recognised at amortised cost using the effective interest rate method.

Accounts payable and accrued liabilities are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

De-recognition of financial liabilities

Financial liabilities are derecognised when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

*(iii) Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.5 Revenue recognition**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation when each of the Company's activities are met:

*(a) Advisory fee*

The provision of financial advisory services are recognised at a point in time upon satisfaction of a performance obligation, which is when services are rendered and accepted by the customer.

*(b) Licensing fee*

The licensing fee is earned from the right to use the Company's proprietary brands for a fixed fee under a non-cancellable contract, where a contract is granted to the licensee which permits the licensee to exploit the brands over the licensing period in any designated territory. Revenue is recognised over time by reference to the contract period.

*(c) Retainer fee*

Retainer fees of ongoing predetermined are recognised over time by reference to the contract period.

**3.6 Income taxes**

Current income tax for current period is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Deferred income tax is recognised for all temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

A deferred tax liability is recognised for all taxable temporary differences, except to the extent the deferred tax liability arises from the initial recognition of goodwill; or the initial recognition of an asset or liability in a transaction which is not a business combination; and at the time of the transaction, affects neither accounting profit nor taxable profit or tax loss.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.6 Income taxes (Continued)**

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date; and

(ii) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income tax shall be recognised as income or an expense and included in profit or loss, except to the extent that the tax arises from a transaction or event which is recognised in the same or a different period, outside profit or loss, either in other comprehensive income or directly in equity; or a business combination.

**3.7 Currency translation**

*(i) Functional and presentation currency*

The consolidated financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The consolidated financial statements of the Company are presented in Singapore Dollar ("S\$"). The functional currency of the parent company is the Canadian Dollar ("C\$"), the functional currency of Raffles Financial Private Limited and Raffles Financial Asset Management Private Limited is the S\$, the functional currency of Marvel Earn Limited is the Hong Kong Dollar ("HKD") and the functional currency of Raffles Financial AG is the Swiss Franc ("CHF").

*(ii) Transactions and balances*

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

*(iii) Foreign operations*

On consolidation, the assets and liabilities of foreign operations are translated into Singapore dollars at the exchange rate prevailing at the reporting period end and their income statements are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income and accumulated in the foreign currency translation reserve in equity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in earnings and recognised as part of the gain or loss on disposal.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

**CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**3. Significant accounting policies (Continued)**

**3.8 Share capital**

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new common shares are deducted against the share capital amount.

**3.9 Earnings per share**

Basic earnings or loss per share is calculated using the weighted average number of common shares outstanding during the year. Diluted earnings or loss per share is calculated by adjusting the earnings or loss attributable to equity shareholders and the weighted average of common shares outstanding for the effects of all potentially dilutive instruments. The calculation of diluted earnings per share assumes that the proceeds to be received on the exercise of dilutive share options and warrants are used to repurchase common shares at the average market price during the year. In years where a loss is reported, diluted loss per share is the same as basic loss per share because the effects of potentially dilutive common shares would be anti-dilutive.

**3.10 Share-based payments**

The Company uses the fair value based method for measuring compensation costs. The Company grants stock options to buy common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee. The fair value of equity settled share-based compensation issued to employees is measured on the date of grant, using the Black-Scholes option pricing model and is recognised over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital. In situations where equity settled share-based compensation are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at the fair value of the share-based payment. Otherwise, share-based compensation is measured at the fair value of the goods or services received.

**3.11 Dividends to Company's shareholders**

Equity dividends are recognised as a liability when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders. A corresponding amount is recognised in equity.

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**4. Critical accounting judgments and estimates**

The preparation of consolidated financial statements in conformity with IFRSs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Significant areas requiring the use of management's judgment and estimates relate to the determination of income taxes and inputs used in accounting for share-based compensation. Actual results may differ from these estimates. By their nature, these estimates are subject to measurement uncertainty and the effect on the consolidated financial statements of changes in such estimates in future periods could be significant.

**Judgments**

**Business combinations and reverse take-over** - Judgment is used in determining whether an acquisition is a business combination or an asset acquisition. The Company must determine whether it is the acquirer or acquiree in each acquisition. Under IFRS 3 –Business Combinations, the acquirer is the entity that obtains control of the acquiree in the acquisition. If it is not clear which company is the acquirer, additional information must be considered, such as the combined entity's relative voting rights, existence of a large minority voting interest, composition of the governing body and senior management, and the terms behind the exchange of equity interest.

**Revenue recognition** – Judgment is used in determining the timing of the point in time or period of time for when the Company satisfies the performance obligation related to the provision of financial advisory services and licensing fees.

**Estimates**

**Income taxes** - Tax interpretations, regulations and legislation are subject to change and as such, income taxes are subject to measurement uncertainty. Deferred tax assets are assessed by management at the end of the reporting period to determine the probability that they will be realised from future taxable earnings.

**Expected credit losses** - Trade and other receivables are assessed for impairment at each reporting date by applying the expected credit loss impairment model. Expected credit loss represents management's best estimate and assumptions based on actual credit loss experience and also takes into consideration forward-looking information. If actual credit losses differ from estimates, future earnings would be affected.

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#### 5. Reverse take-over

Explorex entered into a definitive share exchange agreement dated December 20, 2019 (the "Share Exchange Agreement") to acquire all of the outstanding shares of RFPL, a company incorporated under the laws of Singapore and operating in Singapore, with regional branch offices in Sydney, Australia, Beijing and Hong Kong ("Transaction"). RFPL is arm's-length to Explorex and is a diversified financial services company that provides corporate finance advisory services related to initial public offering investments and arrangements, advice related to investment management, wealth and family office strategy counsel, and investment governance and oversight of funds. The Transaction constituted a "fundamental change" of business for Explorex.

Explorex consolidated its outstanding common shares such that the consolidation resulted in 1,050,000 common shares outstanding immediately before closing of the Transaction. The shareholders of RFPL ("RFPL Shareholders") were issued an aggregate of 45,000,000 common shares of Explorex. In addition, the Company issued a total of 72,096 warrants to the existing warrant holders of Explorex with an exercise price of C\$12.97 per share and same existing expiry dates. The completion of a concurrent financing resulted in the issuance of 4,000,000 common shares (Note 17), such that giving effect to the financing, a total of 50,050,000 common shares of the Company were outstanding, with the RFPL Shareholders holding approximately 97.7% of the outstanding common shares. The Transaction resulted in the RFPL Shareholders acquiring control of Explorex.

The substance of the transaction was a reverse takeover of the non-operating company and the transaction does not constitute a business combination as Explorex does not meet the definition of a business under IFRS 3. As a result, the transaction was recorded by the Company as a reverse takeover that was not a business combination with a recognition of a listing expense which represented the difference between the fair value of consideration RFPL paid and the fair value of Explorex's net assets.

RFPL, the legal subsidiary, has been identified as the accounting acquirer and Explorex, the legal parent, has been identified as the accounting acquiree. As RFPL was deemed to be the acquirer for accounting purposes, its assets, liabilities, and operations since incorporation are included in these consolidated financial statements at their historical carrying value. Explorex's results of operations have been included from April 29, 2020, the date of the completion of the Transaction.

The fair value of the consideration was calculated as follows:

- The fair value of 1,050,000 common shares was determined to be S\$5,327,700 based on the fair value of Explorex's shares on April 29, 2020;
- The fair value of 30,000 common shares paid for finder's fees was determined to be S\$152,220 based on the fair value of Explorex's shares on April 29, 2020;
- Cash and cash advances in the total amount of S\$456,659; and
- Legal fees of S\$375,894 related to the Transaction during the year ended June 30, 2020.

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**5. Reverse take-over (Continued)**

	<b>Amount S\$</b>
Consideration	
Common shares	5,479,920
Cash and cash advances	456,659
Legal fees	375,894
Total consideration	<u>6,312,473</u>
Identifiable net assets acquired	
Cash	134,382
Amounts receivable	174,564
Prepaid expenses	49,936
Accounts payable and accrued liabilities	(98,689)
Total identifiable net assets acquired	<u>260,193</u>
Listing expense	<u>6,052,280</u>

**6. Acquisitions and disposals of subsidiaries**

*(a) Acquisition and disposal of Changsheng Investment Development Limited ("CID")*

On June 29, 2020, the Company entered into a Sales and Purchase agreement with a director of the Company to acquire all the issued and outstanding common shares of CID for cash payment of S\$1,798 (HKD\$10,000) which are equivalent to the net asset values of CID.

	<b>S\$</b>
Consideration	
Cash	1,798
Effective settlement of amount due from the directors	4,846,846
Total consideration given	<u>4,848,644</u>

The whole purchase consideration was allocated to investment since CID has no other asset and liability on the date of acquisition.

On June 15, 2021, the Company entered into a share purchase agreement to sell all the issued and outstanding common shares of CID in consideration of S\$4,350,000. On the disposal date, the investment cost in CID was S\$1,798 while the Company granted CID a waiver of loan receivables from CID amounting S\$3,417,175. As a result, the Company recognised a gain of S\$250,000.

Summary of the effect of disposal on the financial position and cash flows of the Company:

	<b>S\$</b>
Financial assets, at fair value through other comprehensive income	4,100,000
Net assets in CID as at June 15, 2021	<u>4,100,000</u>
Consideration received	4,350,000
Gain recognised on disposal of CID	<u>250,000</u>

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**6. Acquisitions and disposals of subsidiaries (Continued)**

*(b) Acquisition of Marvel Earm Limited ("MEL")*

On June 29, 2020, the Company entered into a Sales and Purchase agreement with a director of the Company to acquire all the issued and outstanding common shares of MEL for cash payment of S\$18 (HKD\$100) which are equivalent to the net asset values of MEL.

	<b>S\$</b>
Consideration	
Cash	18
Effective settlement of amount due from the directors	3,357,982
Total consideration given	3,358,000

The whole purchase consideration was allocated to investment since MEL has no other asset and liability on the date of acquisition. On March 31, 2021, the Company has granted MEL a waiver of loan receivables from MEL amounting S\$3,358,000.

*(c) Acquisition and deconsolidation of Raffles Infrastructure Capital Limited (formerly Mfund Limited) ("RIC")*

	<b>Number of shares</b>	<b>Amount S\$</b>
Acquired 50% shares of RIC on August 31, 2020	50	9
Entered into Joint Venture Agreement acquiring additional 50 shares for \$9 on November 2, 2020	50	9
Fair value of RIC on November 2, 2020 treated as investment in joint venture	-	-
Gain on deconsolidation of subsidiary		(20)
		(2)

On August 31, 2020, the Company acquired 50% of the outstanding shares of Raffles Infrastructure Capital Limited (formerly Mfund Limited) ("RIC") for S\$9 (HKD\$50), a private company incorporated in Hong Kong with a principal activity of providing infrastructure project funding and advisory services. RIC was an inactive company with small cash balance on the acquisition date.

On November 2, 2020, the Company entered into a Joint Venture Agreement with Raffles Infrastructure Holding Limited in which both parties agreed to jointly own RIC on a 50:50 basis. In connection with this agreement, the Company acquired an additional 50 shares for a consideration of S\$9 (HKD\$50). As a result of the Joint Venture Agreement, the Company lost control over RIC and the entity was deconsolidated. Accordingly, the operations of RIC from August 31, 2020 to November 1, 2020 were deconsolidated and subsequently accounted for as an investment in a joint venture using the equity method. As a result of deconsolidation, the Company recognised a gain of S\$2.

On April 1, 2021, RIC issued 500 new ordinary shares to In Investments Limited at a consideration of S\$87 (HKD\$500). As a result, the Company's interest in RIC was diluted to 14% and was accounted for as a financial asset, at fair value through other comprehensive income. As at April 1, 2021, the net liabilities of RIC amounted to S\$124. Accordingly, under the cost method, no value was initially recognised in the Company's consolidated financial statement.

During the year, the Company recorded an impairment provision of S\$20 related to this investment. As of June 30, 2021, the carrying value of the investment was nil.

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**6. Acquisitions and disposals of subsidiaries (Continued)**

*(d) Acquisition of Raffles Financial AG ("RFAG")*

On September 14, 2020, the Company incorporated a new wholly-owned subsidiary in Switzerland, RFAG with S\$151,660 (CHF100,000) paid-up share capital. Its principal activity is provision of advisory and brokerage services for cash listings, corporate financing and restructuring and fund investment advice. RFAG was an inactive company with cash balance equivalent to the paid-up share capital on the acquisition date.

*(e) Acquisition of Raffles Financial Asset Management Private Limited ("RFAM")*

On March 19, 2021, the Company incorporated RFAM and contributed S\$75 as the paid-up capital representing 75% of the total share capital of S\$100. The balance S\$25 representing 25% was invested by the NCI Resilience Capital Private Limited.

**7. Revenue**

The Company derives revenue from the rendering of services at a point in time and over time in the following type of services:

	<b>At a point in time S\$</b>	<b>Over time S\$</b>	<b>Total S\$</b>
<b>For the year ended June 30, 2021</b>			
Advisory fee	3,000,000	-	3,000,000
Licensing fee	-	999,880	999,880
Retainer fee	-	1,000,000	1,000,000
	<u>3,000,000</u>	<u>1,999,880</u>	<u>4,999,880</u>
<b>For the year ended June 30, 2020</b>			
Advisory fee	6,200,000	-	6,200,000
Licensing fee	-	2,666,672	2,666,672
	<u>6,200,000</u>	<u>2,666,672</u>	<u>8,866,672</u>

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**8. Administrative expenses by nature**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Business development and marketing	35,773	205,727
Contract for services	617,269	725,656
Director fees	304,371	55,944
Office expenses	71,189	20,534
Pension contribution fund	8,340	-
Professional fees	143,138	87,062
Rental on operating lease	83,766	100,571
Staff cost	90,024	51,596
Share-based compensation	765,499	297,610
Transfer agent and regulator fees	19,633	1,609
Travelling and accommodation	559	19,134
Other expenses	172,535	-
<b>Total administrative expenses</b>	<b>2,312,096</b>	<b>1,565,443</b>

**9. Other income**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Dividend income received	186,555	-
Government grants	5,870	5,000
Interest income	4	-
Others	16,227	849
	<b>208,656</b>	<b>5,849</b>

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**10. Income tax**

The Cayman Islands and Singapore components of (loss)/income before income taxes and provision for income taxes were as follows:

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
(Loss)/Income before income taxes		
Cayman Islands	(1,205,081)	(6,641,435)
Singapore	(2,200,798)	<u>7,542,620</u>
	<u>(3,405,879)</u>	<u>901,185</u>
Current income tax expense		
Cayman Islands	-	-
Singapore	-	<u>1,417,080</u>
	<u>-</u>	<u>1,417,080</u>
Deferred income tax		
Cayman Islands	-	-
Singapore	849,980	<u>(90,666)</u>
	<u>849,980</u>	<u>(90,666)</u>
	<u>849,980</u>	<u>1,326,414</u>

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10. Income tax (Continued)

The following table reconciles the expected income taxes expense at the statutory income tax rates to the amounts recognised in the consolidated statements of loss and comprehensive loss for the years ended June 30, 2021 and June 30, 2020:

	2021	2020
	S\$	S\$
Net income before tax	(3,405,879)	901,185
Statutory tax rate	0.00%	0.00%
Expected income tax	<u>0.00</u>	<u>0.00</u>
Difference in foreign jurisdiction tax rates	(253,770)	1,282,245
Non-deductible items	1,366,985	62,104
Income not subject to tax	(259,805)	(850)
Tax exemption	-	(17,425)
Others	(3,430)	340
<b>Total tax expense</b>	<u>849,980</u>	<u>1,326,414</u>

Due to the Company's change of corporate jurisdiction into the Cayman Islands on April 29, 2020, the statutory tax rate declined from 17% to 0%.

Deferred taxes reflect the tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax values. Deferred tax liabilities at June 30, 2021 and 2020 are comprised of the following:

	2021	2020
	S\$	S\$
Unremitted foreign income	(2,107,981)	<u>(1,258,001)</u>
Total deferred tax liabilities	<u>(2,107,981)</u>	<u>(1,258,001)</u>

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

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11. Financial assets, at fair value through other comprehensive income ("FVOCI")

Details of financial assets, at FVOCI as at June 30, 2021 and 2020 are as follows:

	2021 S\$	2020 S\$
<i>Investment equity designated at FVOCI</i>		
Listed securities:		
Metech International Limited ("Metech")	-	2,573,667
KTL Global Limited ("KTL")	58,498	1,053,338
Raffles Infrastructure Holdings Limited ("RIHL")	780,000	-
GS Holding Limited ("GSHL")	6,902,556	9,327,778
	<u>7,741,054</u>	<u>12,954,783</u>
Non-listed securities		
Raffles Infrastructure Capital Limited ("RIC")	-	-
	<u>7,741,054</u>	<u>12,954,783</u>

(a) Metech International Limited ("Metech")

	Number of shares	Amount S\$
Metech shares held by CID as at beginning of the year	19,797,439	2,573,667
Fair value loss	-	(970,074)
Metech shares disposed by CID on June 15, 2021	(19,797,439)	(1,603,593)
Metech shares acquired by RFPL on June 15, 2021	19,797,439	1,603,593
Metech shares disposed by RFPL on June 15, 2021	(19,797,439)	(1,603,593)
As at end of the year	<u>-</u>	<u>-</u>

On June 15, 2021, the Company acquired 19,797,439 shares from CID at a consideration of S\$1,603,593 then disposed of to a non-related party on the same date with the same consideration which was still outstanding as a receivable as at June 30, 2021.

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11. Financial assets, at fair value through other comprehensive income ("FVOCI") (Continued)

(b) KTL Global Limited ("KTL")

	Number of shares	Amount S\$
KTL shares held by CID as at beginning of the year	47,879,000	1,053,338
KTL shares acquired by RFPL on July 7, 2020	35,200,000	633,600
KTL shares disposed by RFPL for share exchange of NTF on March 5, 2021	(20,000,000)	(1,000,000)
KTL shares disposed by RFPL on June 4, 2021	(200,000)	(16,000)
KTL shares disposed by RFPL to pay referral fee on June 4, 2021	(1,250,000)	(102,500)
KTL shares held by CID deconsolidated due to disposal of CID on June 15, 2021	(47,879,000)	(1,053,338)
KTL shares disposed by RFPL to CID on June 18, 2021	(11,000,000)	(660,000)
KTL shares disposed by RFPL on June 18, 2021	(2,121,000)	(173,922)
Gain on disposal of KTL shares	-	1,330,144
Fair value gain	-	47,176
As at end of the year	629,000	58,498

On July 7, 2020, one of the directors of the Company collected trade receivables amounting to S\$650,000 and purchased 35,200,000 shares of KTL at a consideration of S\$633,600 on behalf of the Company.

On March 5, 2021, the Company accepted a customer proposal for share exchange of 2,000,000 of shares in Nutryfarm International Limited ("NTF") with 20,000,000 shares of KTL at a fair value of S\$1,000,000.

On June 4, 2021, 200,000 shares of KTL are disposed to a non-related party at a fair value of S\$16,000 which was still outstanding as a receivable as at June 30, 2021.

On June 4, 2021, the Company paid a referral fee of S\$102,500 by way of 1,250,000 shares of KTL. On

June 18, 2021, 11,000,000 shares of KTL were sold to a non-related party at S\$660,000 which are still outstanding as a receivable as at June 30, 2021.

On June 18, 2021, 2,121,000 shares of KTL were sold to CID for S\$173,922. Although the share sale occurred after the disposal of CID on June 15, 2021, the receivable was subsequently waived by the Company through a waiver of loan receivables previously granted to CID.

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**11. Financial assets, at fair value through other comprehensive income ("FVOCI") (Continued)**

(c) *Nutryfarm International Limited ("NTF")*

	Number of shares	Amount S\$
NTF shares acquired by RFPL by way of settlement from customer on February 8, 2021	8,000,000	4,000,000
NTF shares acquired by RFPL by share exchange of KTL on March 5, 2021	2,000,000	1,000,000
NTF shares disposed by RFPL on June 30, 2021	(10,000,000)	(6,000,000)
Gain on disposal of NTF shares	-	1,000,000
As at end of the year	-	-

On February 8, 2021, the Company accepted a settlement from a customer for advisory service fees by way of 8,000,000 shares of NTF at a fair value of S\$4,000,000.

On March 5, 2021, the Company accepted a customer proposal for share exchange of 2,000,000 shares of NTF with 20,000,000 shares of KTL at a fair value of S\$1,000,000.

On June 30, 2021, the Company disposed of all NTF shares at S\$6,000,000 to non-related party which were still outstanding receivable at the reporting date.

(d) *Raffles Infrastructure Holdings Limited ("RIHL")*

	Number of shares	Amount S\$
RIHL shares acquired by RFPL by way of settlement of convertible loan on June 21, 2021	3,000,000	840,000
Fair value loss	-	(60,000)
As at end of the year	3,000,000	780,000

On November 1, 2020, the Company agreed to provide a convertible loan of S\$450,000 to Infini Capital Limited ("the Borrower"), which was to be repaid by June 30, 2021, or converted on July 1, 2021.

On June 15, 2021, the Borrower informed the Company that it would be unable to repay the loan in cash and proposed to settle the loan through the transfer of 3,000,000 shares of RIHL, valued at S\$450,000. The Company accepted the Borrower's proposal on June 19, 2021.

At the date of the share transfer on June 21, 2021, the market price of RIHL shares was S\$0.28 per share. Accordingly, the Company recognised the addition of financial assets at fair value through other comprehensive income (FVOCI) amounting to S\$840,000, and a resulting gain of S\$390,000 on redemption of the convertible loan (see Note 13).

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11. Financial assets, at fair value through other comprehensive income ("FVOCI") (Continued)

(e) GS Holdings Limited ("GSHL")

	Number of shares	Amount S\$
GSHL shares held by MEL as at beginning of the year	18,655,555	9,327,778
Fair value loss	-	(373,111)
GSHL shares disposed by MEL by way of interim dividend in specie to RFPL on April 1, 2021	(18,655,555)	(8,954,667)
GSHL shares acquired by RFPL by way of interim dividend in specie from MEL on April 1, 2021	18,655,555	8,954,667
Fair value loss	-	(2,052,111)
As at end of the year	<u>18,655,555</u>	<u>6,902,556</u>

On April 1, 2021, a subsidiary corporation proposed to pay an interim dividend in specie of 18,655,555 shares of GSHL at a fair value of S\$8,954,667.

(f) Raffles Infrastructure Capital Limited ("RIC")

	Number of shares	Amount S\$
Acquired 50% shares of RIC on August 31, 2020	50	9
Entered into Joint Venture Agreement acquiring additional 50 shares for \$9 on November 2, 2020	50	9
Fair value of RIC on November 2, 2020 treated as investment in joint venture	-	-
Gain on deconsolidation of subsidiary	-	(20)
	<u>100</u>	<u>(2)</u>
Investment in joint venture accounted as financial asset, at fair value through other comprehensive income	100	20
Provision for impairment on investment	-	(20)
As at end of the year	<u>100</u>	<u>-</u>

On August 31, 2020, the Company acquired 50% of the outstanding shares of Raffles Infrastructure Capital Limited (formerly Mfund Limited) ("RIC") for S\$9 (HKD\$50), a private company incorporated in Hong Kong with a principal activity of providing infrastructure project funding and advisory services. RIC was an inactive company with small cash balance on the acquisition date.

On November 2, 2020, the Company entered into a Joint Venture Agreement with Raffles Infrastructure Holding Limited in which both parties agreed to jointly own RIC on a 50:50 basis. In connection with this agreement, the Company acquired an additional 50 shares for a consideration of S\$9 (HKD\$50). As a result of the Joint Venture Agreement, the Company lost control over RIC and the entity was deconsolidated. Accordingly, the operations of RIC from August 31, 2020 to November 1, 2020 were deconsolidated and subsequently accounted for as an investment in a joint venture using the equity method. As a result of deconsolidation, the Company recognise a gain of S\$2.

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**11. Financial assets, at fair value through other comprehensive income ("FVOCI") (Continued)**

On April 1, 2021, RIC issued 500 new ordinary shares to In Investments Limited at a consideration of S\$87 (HKD\$500). As a result, the Company's interest in RIC was diluted to 14% and was accounted for as a financial asset, at fair value through other comprehensive income. As at April 1, 2021, the net liabilities of RIC amounted to S\$124. Accordingly, under the cost method, no value was initially recognised in the Company's consolidated financial statement.

During the year, the Company recorded an impairment provision of S\$20 related to this investment. As of June 30, 2021, the carrying value of the investment was nil.

**12. Trade, other receivables, prepaid expenses and deposits**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Tradereceivables		
-Nonrelated parties	-	650,000
Otherreceivables		
-Nonrelated parties	8,279,592	-
Less:Loss allowance	(7,053,792)	-
	1,225,800	-
-Related party	1,081	-
	1,226,881	-
Prepaid expenses	59,711	85,303
Deposits*	21,236,667	-
	<u>22,523,259</u>	<u>735,303</u>

*\*Included in deposits is deposit for Right-to-Use agreement with HuDuoBao Network Technology Co., Ltd.*

As at June 30, 2021, the Company had a deposit in the amount of S\$21,231,667 (RMB 102,000,000). On May 20, 2021, the Company entered into a Memorandum of Understanding (the "MOU") to acquire 100% HuDuoBao Network Technology Co., Ltd. ("HDB"). For consideration, the Company made a refundable deposit of RMB 102,000,000 (the "Deposit") for the first right of refusal subject to due diligence satisfaction and both parties' board and shareholder approvals. After deliberation by the Company's board of directors, it was decided to not acquire HDB and instead appoint HDB as the master solution and service provider for the Company's existing Finlaas business segment. In December 2021, the Company entered into a cloud-based system right-to-use agreement ("SaaS Agreement") with HDB to license the Company and its agent(s) a right to use HDB's cloud-based emails, 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 ("Right-to-Use") to provide e-commerce integrated solution to merchants. Pursuant to the agreement, the Right-to-Use is on a period of 3 years for a monthly fee of RMB 2,500,000 which can be offset from the Deposit through the utilisation of the Right-to-Use service.

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**12. Trade, other receivables, prepaid expenses and deposit (Continued)**

However, the Right-to-Use service had not subsequently commenced due to a force majeure situation, where China's authorities accelerated efforts in mass locking down several major cities in China in light of the surging COVID-19 Omicron variant case that hindered HDB and the Company's management to perform the agreement in China. In June 2022, HDB and the Company mutually agreed to an assignment of the SaaS Agreement to a third party in China whereby HDB shall return the deposit in the amount of S\$21,231,667 (RMB102,000,000) to the Company pursuant to the MOU. In light of the foreign exchange control in China which restricts refund of the Deposit being held by HDB 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. HDB had 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. On March 12, 2024, the Company entered into a deposit refund agreement ("Refund Agreement") whereby the equivalent amount of the Deposit was refunded in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange. On the same date, the Company entered into a nominee shareholding agreement with Chief Executive Officer ("CEO") of the Company, Mr. Huang Chuan, whereby the CEO is granted power of attorney to hold the share of Tencent Holdings Limited in trust in his overseas stock brokerage account on behalf of the Company. As a result of the Refund Agreement, the deposit was refunded during the year in the form of 575,000 ordinary shares of Tencent Holdings Limited, a company listed on the Hong Kong Stock Exchange.

**13. Convertible loan receivable**

On November 1, 2020, the Company entered into a convertible loan agreement with Infini Capital Limited ("Infini") for a principal amount of S\$450,000. The loan was unsecured, non-interest bearing, and repayable on June 30, 2021 ("Repayment Date").

Under the terms of the agreement, if the loan remained unpaid after the Repayment Date, interest would accrue at 20% per annum on the outstanding balance until full settlement. Additionally, the Company has the right to convert all or part of the outstanding loan into shares of Raffles Infrastructure Holdings Limited in lieu of cash repayment. The conversion price is set as follows:

- If no capital raise by Infini has occurred by July 1, 2021, the conversion price will be S\$0.25 per share
- If a capital raise by Infini has occurred by July 1, 2021, the conversion price will be a base price of S\$0.25 per share subject to an adjustment if there are any changes to the share capital of Raffles Infrastructure Holdings Limited

On June 19, 2021, the Company received 3,000,000 common shares of Raffles Infrastructure Holdings Limited valued at S\$840,000, as full settlement of the convertible loan. As a result, the Company recognised a gain of S\$390,000.

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(Expressed in Singapore Dollars)

**14. Cash and cash equivalents**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Bank balances	629,855	21,040,893
Cash and cash equivalents in the consolidated statements of financial position and cash flows	629,855	21,040,893
	<u>629,855</u>	<u>21,040,893</u>

The currency profile of the Company's cash and cash equivalents is as follows:

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Singapore Dollar	392,199	830,260
United States Dollar	573	-
Hong Kong Dollar	36,260	-
Chinese Renminbi	-	20,127,742
Canadian Dollar	62,828	82,891
Switzerland Franc	131,607	-
European Euro	6,388	-
	<u>629,855</u>	<u>21,040,893</u>

**15. Other payable and accrued liabilities**

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Accrued liabilities	278,959	123,357
Amount due to Directors	594,417	92,595
Amount due to a Joint Venture	200,000	-
	<u>1,073,376</u>	<u>215,952</u>

Amounts due to Directors are unsecured, interest-free and repayable on demand.

**16. Commitments**

The future minimum lease payable under lease contracted for at the reporting date but not recognised as liabilities, is as follows:

	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
Not later than one year	<u>16,667</u>	<u>52,512</u>

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE  
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**17. Share capital**

	<b>Number of common shares</b>	<b>S\$</b>
<b>Balance at June 30, 2019</b>	100,000	100,000
Recapitalisation on reverse take-over (Note 5):		
Elimination of RFPL shares	(100,000)	-
Shares of Raffles Financial Group Limited	1,050,000	-
Shares issued pursuant to reverse take-over	45,000,000	5,327,700
Shares issued for finder's fees on reverse take-over	30,000	152,220
Shares issued for cash	4,000,000	20,296,000
 <b>Balance at June 30, 2020</b>	 50,080,000	 25,875,920
Shares issued for stock options exercised	25,000	223,671
 <b>Balance at June 30, 2021</b>	 <u>50,105,000</u>	 <u>26,099,591</u>

The authorised share capital of the Company is 5,000,000,000 common shares without par value.

Effective on April 29, 2020, the Company completed a share consolidation on the basis of 25.94 pre-consolidation shares for 1 post-consolidation common share. These consolidated financial statements have been retroactively adjusted to reflect this consolidation.

On April 29, 2020, the Company issued 45,000,000 common shares pursuant to the terms of the Transaction (Note 5).

On April 29, 2020, the Company issued 30,000 common shares for finder's fees valued at S\$152,220 (C\$150,000) related to the Transaction (Note 5).

On April 29, 2020, the Company completed a private placement, whereby the Company issued an aggregate of 4,000,000 common shares at a price of C\$5 per common share for gross proceeds of S\$20,296,000 (C\$20,000,000).

On April 15, 2021, the Company issued 25,000 common shares for 25,000 stock options exercised at C\$ 5 per common share for a gross proceeds of S\$133,150 (C\$125,000). The market price at spot were C\$9.42 per common share, resulted in increase in share capital of S\$223,671 (C\$235,500).

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

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(Expressed in Singapore Dollars)

17. Share capital (Continued) Stock options

The Company has a stock option plan under which it can grant options to directors, officers, employees, and consultants for up to 10% of the issued and outstanding common shares. The exercise price of each option is based on the market price of the Company's stock at the date of grant. The options can be granted for a term of ten years and vest as determined by the board of directors.

On May 11, 2020, the Company issued 300,000 stock options with an exercise price of C\$5.00 per share, at a fair value of C\$1,019,754. These stock options are subject to vesting provisions such that 25% of the options vest three months from the date of grant, 25% of the stock options vest six months from the date of grant, 25% of the stock options vest nine months from the date of grant and 25% of the stock options vest twelve months from the date of grant. The fair value per option was C\$3.40. The fair value of the options is estimated using the Black-Scholes option pricing model assuming a life expectancy of 5 years, a risk-free rate of 0.38%, a forfeiture rate of 0%, and volatility of 100%. During the year ended June 30, 2021, the Company recorded share-based compensation of S\$765,499 (C\$728,492) (2020: S\$297,610 (C\$291,260)) in relation to these stock options.

	Number of options	Exercise price C\$	Expiry date
<b>Balance outstanding at June 30, 2019</b>	-	5.00	
Granted	300,000	<u>5.00</u>	May 11, 2025
<b>Balance outstanding at June 30, 2020</b>	300,000	5.00	
Exercised	(25,000)	<u>5.00</u>	
<b>Balance outstanding at June 30, 2021</b>	275,000	<u>5.00</u>	
<b>Balance exercisable at June 30, 2021</b>	<u>275,000</u>	<u>5.00</u>	

Share purchase warrants

	Number of warrants	Exercise price C\$
<b>Balance outstanding at June 30, 2019</b>	-	-
Issued upon RTO (Note 5)	72,096	<u>12.97</u>
<b>Balance outstanding at June 30, 2020</b>	72,096	12.97
Expired	(72,096)	<u>12.97</u>
<b>Balance outstanding at June 30, 2021</b>	<u>-</u>	<u>-</u>

Dividends

On June 23, 2021, the Company paid an interim dividends of C\$0.0908093 per common share, totalling S\$4,969,633 (C\$4,550,000).

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

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18. Related party transactions

In addition to the information disclosed elsewhere in the consolidated financial statements, the following transactions took place between the Company and related party at the terms agreed between the parties.

Transaction entered into between the related parties and Raffles Financial Private Limited, the wholly owned subsidiary of the Company

	2021 S\$	2020 S\$
Rental expenses paid to related parties 16,810 81,130	<u>          </u>	<u>          </u>

Related party refers to the Company which is controlled by the Company's directors and their close family members.

*Key management personnel compensation*

Transaction entered into between the related parties and the Company

	2021 S\$	2020 S\$
Director fees	304,371	55,944
Contract for services	34,519	-
Share-based compensation	765,499	297,610
	<u>1,104,389</u>	<u>353,554</u>

Transaction entered into between the related parties and Raffles Financial Private Limited, the wholly owned subsidiary of the Company

	2021 S\$	2020 S\$
Contract for services	<u>530,250</u>	<u>460,000</u>

These transactions are in the normal course of operations and have been valued in these consolidated financial statements at the fair value, which is the amount of consideration established and agreed to by the related parties.

During the year ended June 30, 2020, the Company entered into a Sales and Purchase agreement related to the acquisition of CID and MEL from two directors of the Company (Note 6).

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

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(Expressed in Singapore Dollars)

19. Segmental information

	Singapore	United States	Malaysia	Hong Kong S\$	China	Canada	Switzerland	Tanzania	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Year ended June 30, 2021</b>									
Revenue	-	-	4,000,000	-	999,880	-	-	-	4,999,880
<b>Year ended June 30, 2020</b>									
Revenue	-	-	-	3,900,000	2,666,672	-	-	2,300,000	8,866,672
<b>As at June 30, 2021</b>									
Cash	392,199	573	-	36,	-	62,	137,99	-	629,855
Current and total assets	9,408,527	573	-	260	21,231,667	828	5,137	-	30,894,168
				36,		79,	99,5		
				260		146			
<b>As at June 30, 2020</b>									
Cash	830,260	-	-	-	20,127,7	82,891	-	-	21,040,8
Current and total assets	14,501,710	-	-	-	42,19,665	563,669	-	-	93,34,730
					,600				,979

**Segment revenue**

Segment revenue has been based on the geographic location of customers. Due to the nature of the Company's operations, 2 (2020: 4) major customers each contributed more than 10% of the Company's total revenue during the financial year.

	2021 S\$	2020 S\$
Customer 1	4,000,000	-
Customer 2	999,880	-
Customer 3	-	2,800,000
Customer 4	-	2,300,000
Customer 5	-	1,000,000
Customer 6	-	1,000,000
	<u>4,999,880</u>	<u>7,100,000</u>

**Segment assets**

Segment assets has been based on the geographic location of the assets.

**Segment liabilities**

~~Segment liabilities~~ information is not included in the internal management reports. Hence, no disclosures are made on segment liabilities.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

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(Expressed in Singapore Dollars)

20. Financial instruments and financial risk management

***Classification of financial instruments:***

	2021 S\$	2020 S\$
<u>Financial assets</u>		
Financial assets, at FVOCI	7,741,054	12,954,783
Trade, other receivables and deposits	22,463,548	650,000
Cash and cash equivalents	629,855	21,040,893
	<u>30,834,457</u>	<u>34,645,676</u>
<u>Financial liabilities</u>		
Other payable and accrued liabilities	<u>1,073,376</u>	<u>215,952</u>

***Financial risks factors***

The Company's activities expose it to credit risk, liquidity risk, currency risk, equity price risk and capital risk. The Company's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Company's financial performance. The Board of Directors are responsible for setting the objectives and underlying principles of financial risk management for the Company. This includes establishing detailed policies such as risk identification, measurement and exposure limits.

(a) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The major classes of financial assets of the Company are bank deposits and trade and other receivables. For trade receivables, the Company adopts the policy of dealing only with customers of appropriate credit history to mitigate credit risk. For other financial assets, the Company adopts the policy of dealing only with high credit quality counterparties.

Cash are placed with banks and financial institutions with high credit-ratings assigned by international credit rating agencies. Trade receivables are substantially companies with a good collection track record.

As the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments present on the statement of financial position.

The Company has applied the simplified approach to measure the lifetime expected credit losses for trade receivables.

In measuring the expected credit losses, receivables are grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Company has considered the customers' available credit history and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Singapore Dollars)

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20. Financial instruments and financial risk management (Continued)

***Financial risks factors (Continued)***

(a) *Credit risk (Continued)*

The Company performs ongoing reviews on the collectability of its trade receivables in order to mitigate any potential credit losses. The definition of trade receivables that are past due is determined by reference to terms agreed upon with individual customers. No trade receivables have been challenged by the respective customers and the Company continues to conduct business with them on an ongoing basis.

Trade receivables are written off when there is no reasonable expectation of recovery, such as counterparty failing to engage in a repayment plan with the Company. Where receivables have been written off, the Company continues to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Based on management assessment, cash and receivables as at June 30, 2021 are not subject to any material credit losses after recognising a bad debt provision of S\$7,053,792 during the year ended June 30, 2021.

(b) *Liquidity risk*

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by maintaining sufficient cash to enable it to meet its operating commitments. As at June 30, 2021, all the financial liabilities of the Company are due within 12 months. Balance due within 12 months equal their carrying amounts as the impact of discounting is not significant.

(c) *Currency risk*

The functional currency is C\$ for the Company and S\$ for RFPL, Changsheng Investment Development Limited, Marvel Earn Limited and Raffles Financial Asset Management Private Limited. The Company is exposed to currency risk primarily through its cash and deposit balances that are denominated in foreign currencies. The Company does not hedge its exposure to fluctuations in the related foreign exchange rates. The Company's exposure to currency risk related to these cash and deposit balances is currently considered significant.

RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE  
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20. Financial instruments and financial risk management (Continued)

***Financial risks factors (Continued)***

(c) *Currency risk (Continued)*

Foreign currency risk sensitivity analysis

	Base Value	Strengthening	Weakening	Impact	Impact
	S\$	(+5%) S\$	(-5%) S\$	(+5%) S\$	(-5%) S\$
Canadian Dollar	62,828	65,969	59,687	3,141	(3,141)
United States Dollar	573	602	544	29	(29)
Hong Kong Dollar	36,260	38,073	34,447	1,813	(1,813)
Switzerland Franc	131,607	138,187	125,027	6,580	(6,580)
Euro	6,388	6,707	6,069	319	(319)
Chinese Renminbi	21,231,667	22,293,250	20,170,084	1,061,583	(1,061,583)
	<u>21,469,323</u>	<u>22,542,788</u>	<u>20,395,858</u>	<u>1,073,465</u>	<u>(1,073,465)</u>

As at June 30, 2021, the Company held foreign currency cash and cash equivalents and deposit totaling S\$21,469,323. A 5% strengthening or weakening of the Singapore Dollar against the respective foreign currencies would have resulted in a decrease or increase in the value of these balances by approximately S\$1,073,465. This analysis assumes that all other variables remain constant.

(d) *Equity price risk*

The Company is exposed to equity price risk arising from its investments in quoted equity instruments which are classified as financial assets at FVOCI. The Company has a concentration of equity price risk due to one of its investments being worth a significant amount of its portfolio.

Equity price risk arises from fluctuations in the market prices of these shares due to market volatility, changes in investor sentiment, and specific performance of the investee companies. The risk is managed through regular monitoring of the investment portfolio, diversification where applicable, and adherence to established investment policies.

At the reporting date, if the market prices of the quoted equity investments had increased or decreased by 10% (2020: 5%), with all other variables held constant, the Company's other comprehensive income would have increased or decreased by approximately S\$774,100 (2021: S\$647,700), mainly as a result of changes in the fair value of quoted equity investments.

**RAFFLES FINANCIAL GROUP LIMITED**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Singapore Dollars)

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**20. Financial instruments and financial risk management (Continued)**

***Financial risks factors (Continued)***

(e) *Capital risk*

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Company may adjust the amount of dividend payment, return capital to shareholders, issue new shares. The Company is not subject to any externally imposed capital requirements.

(f) *Fair value measurements*

Fair value measurements use a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The level in the hierarchy within which the fair value measurement is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2). Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

The fair values of current financial assets and liabilities other than the investment approximate their carrying amounts due to the short term nature.

The equity investments at FVOCI include shares in publicly traded companies listed on a stock exchange. The fair value of equity investments at FVOCI is determined based on a market approach reflecting the closing price of each particular security at the consolidated financial position date. The closing price is a quoted market price obtained from the exchange that is the principal active market for the particular security, and therefore equity investments at FVOCI are classified within Level 1 of the fair value hierarchy.

**21. Subsequent events**

- a) On September 15, 2021, the Company entered into a definitive share purchase agreement to acquire all of the outstanding share capital of Alto Vencap Private Limited ("AV") for a purchase price of S\$2.00 (C\$1.88). Subsequent to the closing of the purchase of AV, the seller shall be entitled to a performance based payment equal to ten times AV's audited net profit after tax for the year ended June 30, 2022 payable in the Company's shares valued at C\$10.00 per share with a maximum 10,000,000 share payout. On March 31, 2022, the Company entered into a termination and mutual release agreement with the independent third party where the Company and the independent third party agreed to unwind the share and purchase agreement by reversing all the transactions that both parties had entered into pursuant to the share and purchase agreement.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

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**21. Subsequent events (Continued)**

- b) On December 21, 2021, the Company entered into a share purchase agreement to acquire all of the outstanding share capital of Bruce Ventures Private Limited ("BV"), a Singapore-based company providing commercial-used hardware and software sales and solutions, and Dayou Investment Limited ("DI"), a Hong Kong-based company supplying various B2B computing hardware and software to clients in Hong Kong, Vietnam, Thailand, Malaysia and Indonesia. Subject to prior approval of the Canadian Securities Exchange, the Company shall complete the acquisition of BV and DI for the purchase price of S\$100 (C\$93.71) each. Subsequent to the closing of the purchase of BV and DI, the Vendors of BV and DI shall be respectively entitled to a performance-based payment equal to ten times BV and DI's audited net profit after tax for the financial periods ended December 31, 2022, payable in the Company's shares valued at C\$10 per share.

However, such share transaction was not completed nor been taken into effect due to the fact that the condition precedent of the transaction was not fulfilled in light of a cease trading order in place and failure to commence the proposed business in China due to the prolong COVID-19 pandemic. Subsequently on October 31, 2022, both parties entered into a termination and mutual release agreement from the share purchase agreements with the two independent parties.

Before reaching the decision of termination and mutual release from the share purchase agreements, the Company had been in negotiation with two potential Chinese corporate finance experts, Mr. Huang Chuan and Mr. Xu Zhiyang who had expressed their interest in collaboration with the Company in the form of contributing profit to the Company in exchange for a performance-based reward in a stake form based on future earnings.

In order to achieve such collaboration, Mr. Huang Chuan and Mr. Xu Zhiyang had taken over 100% interests in BV and DI respectively upon the aforesaid termination. Then on November 4, 2022, Mr. Huang Chuan and Mr. Xu Zhiyang entered into share purchase agreements with RFPL, pursuant to which:

- (i) RFPL shall acquire all of the outstanding share capital of BV (subsequently changed its name to Asia Oaktree Financial Private Limited ("AOF")) and DI (subsequently changed its name to Raffles Financial Technology (China) Limited ("RFTC")) respectively at a consideration of S\$100 (C\$96) each;
- (ii) subject to the Company's shareholders and necessary approval from relevant authorities, Mr. Huang Chuan and Mr. Xu Zhiyang shall be respectively entitled to a performance-based payment payable in terms of:
- a) a share consideration equivalent to 25% of the interest in the total issued shares capital of RFPL on a post-transaction basis, shall the AOF and RFTC delivers an audited net profit after tax ("NPAT") for the financial year ending December 31, 2023 of S\$10,000,000; or
- b) a share consideration of ten times of the AOF and RFTC's NPAT for the financial year ending December 31, 2023 payable in the shares of the Company valued at C\$3.30 per shares at a cap of 30,303,030 shares.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

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(Expressed in Singapore Dollars)

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**21. Subsequent events (Continued)**

- b) On July 31, 2023, Mr. Xu Zhiyang, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in RFTC under the original share purchase agreement ("Original Agreement 1") dated November 4, 2022 to the Company as the new purchaser of RFTC. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 1 and to be bound by its terms in every way as if it were named in the Original Agreement 1 in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Xu Zhiyang in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall RFTC deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of RFTC's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

On December 1, 2023, Mr. Huang Chuan, Oaktree International Financial Limited ("OIF"), AOF, RFPL and the Company entered into a novation agreement to novate the rights and obligations of the original purchaser, RFPL in relation to the purchase of 100% equity interest in AOF under the original share purchase agreement ("Original Agreement 2") dated November 4, 2022 to the Company, and to supersede the original target corporation, AOF by a new target corporation, OIF. Pursuant to the novation agreement, the Company undertakes to perform the Original Agreement 2 and to be bound by its terms in every way as if it were named in the Original Agreement 2 in place of RFPL, saved for the terms of the performance-based consideration which shall be superseded by the following:

The Company has a right to choose the payment form of a performance consideration to Mr. Huang Chuan in either:

- (i) a share consideration equivalent to 25% of the interest in the total issued shares capital of the Company on a post-transaction basis, shall OIF deliver an audited net profit after tax for the financial year ending December 31, 2024 of S\$10,000,000; or
- (ii) a share consideration of twelve times of OIF's audited net profit after tax for the financial year ending December 31, 2024 payable in the shares of the Company valued at C\$3.30 per shares. It shall be satisfied by an issuance of new shares by the Company at a cap of 36,363,636 shares and subject to its shareholders' and/or relevant authorities' approval.

On August 28, 2024, 100,000 shares representing 100% interest in RFTC (subsequently changed its name to Oaktree Financial Limited ("OFHK")) was transferred to the Company from Mr. Xu Zhiyang, representing that the acquisition pursuant to the novation agreement dated July 31, 2023 was affected. No performance-based consideration was paid as OFHK did not achieve a positive NPAT. On the same date, 100 shares representing 100% interest in OIF was transferred to the Company from Mr. Huang Chuan, representing that the acquisition pursuant to the novation agreement dated December 1, 2023 was affected. No performance-based consideration was paid as OIF did not achieve a positive NPAT.

**RAFFLES FINANCIAL GROUP LIMITED NOTES TO THE**

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**21. Subsequent events (Continued)**

- c) On November 1, 2021, the Company announced that it will miss its filing deadline of October 28, 2021 (the "Filing Deadline"), to file its audited annual financial statements and accompanying management's discussion and analysis and related Chief Executive Officer and Chief Financial Officer certifications for the year ended June 30, 2021 (collectively, the "Annual Filings"). As a result of not filing the Annual Filings by the Filing Deadline, the Company became subject to a cease trade order (the "CTO") issued by the British Columbia Securities Commission (the "BCSC") that will prohibit the trading in all securities of the Company by securityholders of the Company and will remain in effect until revoked by the BCSC.

# Shareholders Statistics

Issued and paid-up capital : SGD25,999,591  
 Number of shares : 50,105,000  
 Class of shares : Common shares  
 Voting rights : One vote per share

The Company holds no treasury shares.

## DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

As at 31 December 2025

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	% OF SHAREHOLDERS	NO. OF SHARES	% OF SHAREHOLDINGS
1 - 10,000	15	48.39	43,030	0.09
10,001 - 100,000	3	9.68	127,258	0.25
100,001 - 1,000,000	7	22.58	3,730,000	7.44
1,000,001 - 10,000,000	4	12.90	13,804,912	27.55
10,000,001 - and above	2	6.45	32,399,800	64.66
<b>Grand Total</b>	<b>31</b>	<b>100.00</b>	<b>50,105,000</b>	<b>100.00</b>

# Shareholders Statistics

## SUBSTANTIAL SHAREHOLDERS

As recorded in the Register of Substantial Shareholders as at 31 December 2025

	Direct Interest		Deemed Interest		Total Interest	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
<b>Director</b>						
In Nany Sing Charlie	16,199,900	32.33	-	-	16,199,900	32.33
Zhang Liying	8,099,900	16.17	-	-	8,099,900	16.17
<b>Substantial Shareholder</b>						
Liu Changsheng	16,199,900	32.33	-	-	16,199,900	32.33
CDS & CO.,	2,595,012	5.18	-	-	2,595,012	5.18

# Shareholders Statistics

## SHAREHOLDERS LIST

As at 31 December 2025

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
1	CHARLIE NANY SING IN	16,199,900	32.33%
2	VICTOR CHANG SHENG LIU	16,199,900	32.33%
3	ABIGAIL LI YING ZHANG	8,099,900	16.17%
4	CDS & CO	2,595,012	5.18%
5	WHITE TIGER MANAGEMENT	1,610,000	3.21%
6	CITIC SECURITIES CO LTD	1,500,000	2.99%
7	CHINA SECURITIES CO LTD	1,000,000	2.00%
8	PING AN SECURITIES CO LTD	1,000,000	2.00%
9	ZHANHAO INTERNATIONAL CONSULTING LTD	750,000	1.50%
10	HAITONG SECURITIES CO LTD	500,000	1.00%
11	ZHANHAO INTERNATIONAL CONSULTING LTD	180,000	0.36%
12	CWSFT LLC	150,000	0.30%
13	MARK ERIC DAVIS	150,000	0.30%
14	WHITE TIGER VENTURE GROUP LTD	66,290	0.13%
15	CHRISTOPHER T GRAHAM AND ROBERT JAROGETI AS TRUSTEES OF THE LEFF HOLDINGS TRUST UNDER AGREEMENT	30,833	0.06%

# Shareholders Statistics

## SHAREHOLDERS LIST

As at 31 December 2025

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHAREHOLDINGS
16	1219212 BC LTD	30,135	0.06%
17	JON PERRETT	7,708	0.02%
18	CEDE & CO	7,454	0.01%
19	JON B PERRETT &	5,569	0.01%
20	WHITE TIGER VENTURE GROUP	4,818	0.01%
21	WHITE TIGER VENTURE GROUP INC	4,625	0.01%
22	MARK R ALTOBELLI	3,854	0.01%
23	TWO LIONS HOLDINGS INC	1,927	0.00%
24	THOMAS MUESSIG	1,734	0.00%
25	DAVID ANTHONY	1,713	0.00%
26	WILLIAM F ESPLEY	1,156	0.00%
27	WILLIAM ARTHUR BUSH	964	0.00%
28	WILLIAM ARTHUR BUSH	665	0.00%
29	873540 BC LTD	514	0.00%
30	NEVILLE WILSON	171	0.00%
31	CHRIS ANDERSON	158	0.00%
	<b>TOTAL</b>	<b>50,105,000</b>	<b>100.00</b>