



Raffles Announces 2020 Fiscal Year-End Financial Results

VANCOUVER, BC – October 29, 2020 – Raffles Financial Group Limited (CSE: RICH) (Frankfurt: 4VO) (OTC:RAFF) (“Raffles” or “the Company”) today announces its financial results for the fiscal year ended June 30, 2020, highlighted by revenue of \$8,866,672 and adjusted comprehensive income before other items and income tax expenses of \$12,220,573. All amounts expressed are in Singapore dollars.

2020 Financial Highlights:

- Total Revenue of \$8,866,672 (2019: \$11,533,334)
- Adjusted comprehensive income before other items and income tax expenses³ of \$12,220,573 (2019: \$10,750,652)
- Cash Flow from operations of \$7,044,654 (2019: \$11,002,734)
- The Company generated cash inflow from financing activities of \$20,296,000 (2019: cash outflow of \$8,900,000) related to the completion of a private placement for gross proceeds of \$20,296,000.

Comparative Summary of Key Financial Metrics for 2019 and 2020

	2020	2019
Revenue	\$8,866,672	\$11,533,334
Unrealized gain on investments	\$4,748,139	-
Operating expenses ¹	\$1,565,443	\$782,682
Listing expenses for RTO ²	\$6,052,280	-
Adjusted comprehensive income before other items and income tax expenses ³	\$12,220,573	\$10,750,652
Net Income (Loss)	(\$425,229)	\$9,560,301

- 1 Operating expenses do not include interest, taxes, depreciation (including impairment of intangible assets) and amortization, and other non-recurring items and non-cash accounting expenses.
- 2 Listing expense relates to the RTO in the amount of \$6,052,280, which comprised of a non-cash acquisition consideration of \$5,479,920 recognised under IFRS 3 in accounting for the reverse take over transaction (“RTO”).
- 3 Adjusted comprehensive income before other items and income tax expenses equals income before other items and income tax expenses plus other comprehensive income includes Foreign currency translation and unrealized gain on investments.

Review of 2020

The Company's sole operating subsidiary, Raffles Financial Private Limited (“RFP”), first appeared in the second quarter of the calendar year 2020, marking the beginning of the Company tapping into the corporate finance advisory segment exclusively. From a financial standpoint, the Company was able to exceed its revenue and earning objectives for the year. From an operational standpoint, the Company disposed its old business and continued to make inroads into the Asia financial market through its services provided by RFP. The highly customisable service provided to its small to medium clients, coupled with its unique professional and low-cost service, are value-propositions that continue to resonate with and account for its adoption rate among industry players.

Outlook for 2021

- Significant opportunities for Raffles as many business owners and investors are seeking solutions to their financial situations amid the COVID-19 pandemic;
- Rising wave of acquisitive Chinese companies venturing beyond their national borders has created an uptick in outbound transactions;
- Asia-Pacific is expected to continue to dominate global IPO activity year-to-date in 2020 by volume.

Future Plans

- To expand our market by adding more Provincial Representatives;
- To enter into Strategic Partnerships and cooperation with international banks, venture capital firms, incubators, etc.;
- To invest in businesses that meet our investment criteria and guidelines;
- To strengthen our market liquidity and shareholder base.

Fiscal 2020 Financial Results Summary

The Company generated revenues of \$8,866,672, which was derived from two major service segments, namely financial advisory service and licensing service (compared to \$11,533,334 in fiscal 2019). The difference in revenue between fiscal 2019 and fiscal 2020 can be attributed to:

- the COVID-19 pandemic which caused travel restrictions and shutdowns that delayed and suspended the delivery of our advisory services (namely Re-structuring & Corporate Finance Advisory ("RCF"), IPO & Global Fund Raising Advisory ("IRS") and Fund, Family Office, Trust Advisory ("FOT")), and created difficulties for the Company to service clients in most of the major cities in which the Company operates including, among others, China, Hong Kong and Singapore;
- there were no FOT advisory service agreements entered into with clients so no fee income from FOT services during 2020 (\$1,500,000 in 2019);
- suspension in licensing services with clients pursuant to force majeure clause in response to the COVID-19 outbreak since January 2020. The Company had agreed with its clients (the Regional Representatives) who were based in the PRC to suspend the contracted licensing services commencing in January 2020. The COVID-19 outbreak had 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 lockdown imposed by the local authorities and market downturn during and after the COVID-19 outbreak. Consequently, licensing services with clients was suspended until the clients can fully resume operations.

Administrative expenses for fiscal 2020 amounted to \$1,565,443, compared to \$782,682 in 2019. The difference between fiscal 2019 and fiscal 2020 was mainly due to:

- a non-cash item of share-based compensation of \$297,610 pertaining to stock options granted to certain management and directors of the Company (2019: nil);
- a business development and marketing expenses amounting to \$205,727 (2019: nil);
- increased professional fees, directors fee and staff costs arising from the RTO transaction and incurred after listing.

The comprehensive income for the year was \$4,494,115 compared to \$9,560,301 in 2019.

Excluding the listing expense related to the RTO in the amount of \$6,052,280 (it comprised of a non-cash consideration of \$5,479,920 recognised under IFRS 3 in accounting for the RTO), the Company made a comprehensive income of \$10,546,395 in 2020 (comprising of operating profits of \$5,627,051 and other comprehensive Income of \$4,919,344). In 2019, the Company had a comprehensive income of \$9,560,301.

Full details of the Company's 2020 financial results can be found in the Audited Consolidated Financial Statements and Management's Discussion and Analysis (MD&A) for the years ended June 30, 2020, which are available at www.sedar.com.

About Raffles Financial Group Limited (CSE: RICH) (GR: 4VO) (OTC: RAFF)

Raffles Financial Pte Ltd (a wholly-owned subsidiary of Raffles Financial Group Limited) is an exempt corporate finance advisory firm, registered with the Monetary Authority of Singapore, which provides public listing advisory and arrangement services. Raffles Financial serves as advisor for family trusts, family offices and investment funds. Please visit www.rafflesfinancial.co for more information.

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