Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

RESUMPTION GUIDANCE
COMPOSITION OF INDEPENDENT COMMITTEE
ENGAGEMENT OF INDEPENDENT INVESTIGATORS INCLUDING AN INDEPENDENT FORENSIC INVESTIGATOR
AND
CONTINUED SUSPENSION OF TRADING

This announcement is made by Raffles Interior Limited (the "**Company**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 25 May 2026 (the "**Resumption Guidance Announcement**") in relation to, among others, the receipt of the Guidance Letter issued by the Stock Exchange containing the Resumption Guidance. Unless otherwise defined herein, capitalized terms used in this announcement are defined in the Resumption Guidance Announcement.

Since the receipt of the Guidance Letter, the Company and the Independent Committee (defined below) have taken active steps to fulfil the Resumption Guidance, including (i) confirming the composition of the "independent committee" established to lead and oversee, among others, the independent investigation over the Matters, and (ii) the engagement of independent investigators to assist the independent committee in conducting its independent investigation, the details of which are summarized below.

Composition of the Independent Committee of the Company

In light of the Guidance Letter, the Company considered it appropriate to expand the scope of work of the existing IBC (consisting of all independent non-executive directors of the Company (the "**Independent Non-executive Directors**")) to include the tasks mandated by the Stock Exchange under the Resumption Guidance. It is noted that two of the Independent Non-executive Directors were appointed after the first occurrence of the irregularities under the Matters, and without prior knowledge of what happened prior to their appointment as Independent Non-executive Directors. It is considered that the current members of the IBC (hereinafter referred to as members of the "**Independent Committee**") are collectively in a good position to provide independent and objective review on the Matters and to the ongoing independent investigations. The following are members of the Independent Committee:

1. Mr. Cheung Garnok (Chairman of the Independent Committee)

2. Mr. Wong Heung Ming Henry

3. Mr. Chan Chi Keung, Alan

Going forward, the Independent Committee will respond directly to the Stock Exchange's enquiries on, among others, the independent investigation and independent internal control review.

Selected Independent Investigators

The Independent Committee has resolved and selected the IBC Investigator, DLA Piper Hong Kong (hereinafter referred to as the "**Independent Investigator A**"), as one of the selected independent investigators to support its independent investigation over the Matters.

Independent Investigator A was selected by the Independent Committee following assessment of Independent Investigator A's independence, credentials, qualification, experience and resources. The Independent Committee submitted the following assessment and confirmation to the Stock Exchange in support of the engagement of Independent Investigator A as a "selected independent investigator" for the purpose of the Resumption Guidance:

1. *Independence:* the Independent Committee considered the letter issued by Independent Investigator A addressed to the Audit Committee of the Company which confirmed, among others (i) the lead partner and his team members providing support to the Independent Committee for independent investigation have not had, and will not have, any involvement in other proceeding/action against Mr. Zheng Nenghuan, and (ii) a Chinese wall has been implemented within its firm as a result of such other proceeding/action against Mr. Zheng Nenghuan. On 27 May 2026, Independent Investigator A issued an email to the Independent Committee to reiterate that there is no conflict of interest in its continued appointment as an independent investigator;

2. *Credentials, Qualifications, Experience:* the Independent Committee considered the credentials of the lead partner of Independent Investigator A for the purpose of the independent investigation (who worked at the Securities & Futures Commission and throughout his professional career remains active in the regulatory investigation line of work) and his team, especially with respect to prior investigative roles and mandates handled by such lead partner and his team. The Independent Committee also considered their first-hand experience in dealing with such lead partner and his team since their initial appointment as IBC Investigator in December 2025;

3. *Resources:* the Independent Committee is satisfied with the sufficiency of resources applied to the independent investigation;

4. *Significant work done and fees incurred:* throughout the course of their appointment as IBC Investigator since December 2025, a significant amount of fees had been incurred for a substantial amount of work done/completed to date covering, among others, investigation over the Matters of which some of the findings have been summarized in the Interim Investigation Report. Since the scope of independent investigation required by the Stock Exchange under the Resumption Guidance, especially those related to the Matters, have already been performed in part by Independent Investigator A, the engagement of another independent professional adviser would create duplicative work, fees and prolonged time to re-conduct certain investigative procedures, all of which would be against the interest of the Company; and

5. *Resumption timetable considerations:* the Independent Committee also took into consideration the requests by the Company's external auditors, including requests that the Company should take actions to reinforce and expedite the Independent Committee's investigation process. The independence, impartiality and timely conduct of the investigation are factors that would progress, and failing which, hinder, the Company's audit.

The Independent Committee also resolved and selected Kroll (HK) Limited (hereinafter referred to as the "**Independent Investigator B**"), as one of the selected independent investigators to provide independent forensic investigation into the Matters, as specifically required by the Stock Exchange under the Resumption Guidance.

Independent Investigator B was selected by the Independent Committee following assessment of Independent Investigator B's independence, credentials, qualification, experience and resources. The Independent Committee submitted the following assessment and confirmation to the Stock Exchange in support of the engagement of Independent Investigator B as a "selected independent investigator" for the purpose of the Resumption Guidance:

1. *Independence:* the Independent Committee considered the terms of engagement proposed by Independent Investigator B, together with the result of the discussion held between the Independent Committee and key members of Independent Investigator B, of which no matter that would or might impact the independence of Independent Investigator B in conducting the independent forensic investigation were noted or identified;

2. *Credentials, Qualifications, Experience:* the Independent Committee considered the credentials, professional qualifications and relevant experience of the key members of Independent Investigator B who will be responsible for conducting the independent forensic investigation. In particular, the Independent Committee considered their extensive experience in conducting independent forensic investigations and related engagements for companies listed on the Stock Exchange, including in connection with the fulfilment of resumption guidance requirements; and

3. *Resources:* the Independent Committee considered the confirmation given by Independent Investigator B, both during the discussion held and in its letter of engagement, that it has sufficient resources to commence the independent forensic investigation immediately, and is satisfied with the sufficiency of resources applied to the independent forensic investigation.

Observations and Concerns of the Company on the Resumption Process

Although the Company and the Independent Committee have taken swift action to fulfil the Resumption Guidance, the Company cannot ascertain that the current members of the Independent Committee can continue their roles and duties following 30 June 2026 if the Company is, subsequent to the issuance of this announcement, obligated to comply with the requirement to convene an annual general meeting on or before 30 June 2026. In the event that an annual general meeting is convened and as a potential consequence, a majority of the current members of the Board and/or the members of the Independent Committee are being voted down, the Company is concerned whether any new directors, and in particular, the new independent non-executive directors, of the Company (i) can manage the investigation independently and objectively, (ii) are able to conclude its independent investigation within the deadlines set out in the Resumption Guidance, and (iii) are able to complete the independent investigation to the satisfaction of the Stock Exchange in fulfilment of the Resumption Guidance.

Mr. Zheng Nenghuan is the principal target of the independent investigation. He is the primary contributor to the irregularities under each of the Matters identified under the Guidance Letter. Mr. Zheng Nenghuan's concerted attempt to nominate five director candidates to the board of the Company would raise substantial concern over the integrity of the independent investigation conducted by his own appointees. As at the date of this announcement, the Company has identified, through public sources/search, that among other findings:

(i) one of the executive director nominees proposed by Mr. Zheng Nenghuan, **Ms. Qi Hongjuan**, currently serves as a supervisor of the sole subsidiary of Kunyuan, the target asset of the HK$300 million Acquisition (the "**Unauthorised Acquisition**").

    In particular, the Interim Investigation Report stated the IBC Investigator's preliminary view that Mr. Zheng Nenghuan had misrepresented the seller's identity in the Unauthorised Acquisition, failed to disclose his personal interest in the Unauthorised Acquisition and sought to procure Board approval of the transaction without proper authorisation. The IBC Investigator stated that Mr. Zheng Nenghuan's conduct demonstrated a pattern of misrepresentation, conflict of interest, and disregard for proper corporate governance, raising serious concerns as to whether Mr. Zheng Nenghuan remains fit and proper to continue his management role in the Company. The Stock Exchange also expressed in the Guidance Letter that there are serious concerns as to whether Mr. Zheng Nenghuan had sought to procure the Company's entry into a HK$300 million self-dealing Unauthorised Acquisition for his own benefit through misrepresentation of the seller's identity in the Unauthorised Acquisition, concealment of his beneficial ownership and failure to disclose his personal interest in the Unauthorised Acquisition, raising concern about possible misuse or misappropriation of the Company's assets. For details, please refer to the Resumption Guidance Announcement.

Given the Stock Exchange shares the Company's concerns regarding Mr. Zheng Nenghuan's "misrepresentation of the seller's identity, concealment of his beneficial ownership and failure to disclose personal interest in the Unauthorised Acquisition", the current Board has a fiduciary and regulatory obligation to probe the relationship between this director nominee, the Unauthorised Acquisition, and Mr. Zheng Nenghuan; and

(ii) one of the **independent** non-executive director nominees proposed by Mr. Zheng Nenghuan, **Mr. Wang Guoyue**, served and continues to serve numerous roles and functions within the "Huahan" branded group companies, of which at least one entity within the "Huahan" branded group companies, is/was subject to judicial asset freeze order and bankruptcy restructuring (破產重整) in Mainland China.

Moreover, the Company reports that Mr. Zheng Nenghuan is currently obstructing the Nomination Committee's attempt to perform basic due diligence on his director nominees. Mr. Zheng Nenghuan argues, among others, that the Company's Articles of Association allow for director nominations without a prior interview process with his director nominees, that the relevant Articles "*do not mention interviews and do not require approval by the Nomination Committee, and do not impose any prior vetting by the Board or any committee*"; and thus turned down all interview requests from the Nomination Committee. The Company believes that if the current Board allows the appointment of Mr. Zheng Nenghuan's director nominees without following any review process, including but not limited to interviews by Nomination Committee (the same process to which Mr. Zheng Nenghuan was subject to prior to his appointment as a Director), the Company will be unable to satisfy one of the core principles set out under the Guidance Letter, i.e., to demonstrate that there is no reasonable regulatory concern regarding the integrity, competence and/or character of the Company's management and any person with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence.

The Company believes that a "hands-off" approach to these director nominations would be a dereliction of the Board's duty to ensure that the individuals who are expected to have substantial influence over the Company's management (i.e., the incoming directors) are fit, proper, and possess a certain level of integrity, competence and/or character. Accepting such director nominations without going through (and being prevented from) any reasonable review process would directly undermine the ongoing independent investigation and the Company's ability to demonstrate to the Stock Exchange that the Company's governance and internal control procedures have been adhered to and/or rectified.

Given Mr. Zheng Nenghuan's documented insistence on bypassing the Company's corporate governance procedures, the Company believes it is highly likely that Mr. Zheng Nenghuan intends to use the upcoming annual general meeting as a vehicle to remove all existing Directors, including the

Independent Non-executive Directors who currently constitutes the Independent Committee, and replace these individuals with the unvetted director nominees who will be beholden to Mr. Zheng Nenghuan's personal interests.

Allowing a board overhaul before the completion of an independent investigation by the members of the Independent Committee would not only waste any prior effort of the Independent Committee, but would effectively insulate Mr. Zheng Nenghuan from accountability, prolong and/or prevent the completion of the investigation into the Matters, potentially preclude the Company from fulfilling the Resumption Guidance and ultimately harming minority shareholders' interests. Any "new" board installed by Mr. Zheng Nenghuan under these circumstances would raise substantial concern on their independence (especially when no prior interview with the director candidates were to be conducted in order to understand their respective background and independence), thereby nullifying the progress made towards resumption and against the interest of the Company's shareholders as a whole.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to keep its shareholders and potential investors informed of the latest progress in fulfilling the Resumption Guidance.

The Stock Exchange has stated that the Company must meet all Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange further indicated that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Pursuant to the Guidance Letter, the Company will announce its first quarterly update on or before 30 June 2026 and every 3 months from that date until resumption or cancellation of listing (whichever is earlier).

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited was suspended from 9:00 a.m. on 1 April 2026 and will remain suspended until further notice pending the fulfilment of the Resumption Guidance. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules and the Resumption Guidance.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Raffles Interior Limited
Wong Heung Ming Henry
Acting Chairman of the Board and
Independent non-executive Director

Hong Kong, 4 June 2026

As at the date of this announcement, the executive directors of the Company are Mr. Ding Hing Hui and Ms. Loke Pui San and Mr. Zheng Nenghuan (duties suspended); and the independent non-executive directors of the Company are Mr. Wong Heung Ming Henry, Mr. Chan Chi Keung, Alan and Mr. Cheung Garnok.