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Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

VOLUNTARY ANNOUNCEMENT SUPPLEMENTAL INFORMATION RELATING TO DELAY IN THE PUBLICATION OF THE AUDITED ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2020 POSTPONEMENT OF BOARD MEETING AND SUSPENSION OF TRADING OF SHARES

This announcement is made by the Board pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of Raffles Interior Limited (the “**Company**”) dated 23 March 2021 (the “**Announcement**”) in relation to the possible delay in the publication of the Group’s audited annual results announcement for the year ended 31 December 2020.

Unless otherwise defined, capitalised terms used herein shall bear the same meanings as defined in the Announcement.

In the Announcement, the Company explained that the auditor of the Company, PricewaterhouseCoopers requires more time to perform and complete their audit procedures in respect of the Annual Results and that the Company was in the process of addressing certain outstanding audit requests raised by PricewaterhouseCoopers to the Board and the Audit Committee.

The Company would like to provide further details of the various agreements which gave rise to additional audit procedures and supporting information required by PricewaterhouseCoopers. These are:

- (a) A financial PR services agreement dated 15 April 2020 between the Company and Financial PR Limited (“**Financial PR**”) pursuant to which Financial PR agreed to provide public relations services to the Company for its listing and post-listing public relations services for a period of one

- (1) year for a fee of HK\$700,000. By a letter dated 1 July 2020, Financial PR agreed that the commencement date for the post-listing services would be deferred to 1 January 2021 due to COVID-19.
- (b) A 5% extra bonus arrangement granted by the Company to Enlighten Securities Limited (“**Enlighten**”) dated 8 May 2020 for the latter’s role in the book building of the Company during its listing. The Company paid an amount of HK\$6.3 million. This arrangement was subsequently rescinded and, in its place Enlighten agreed to provide the Group with restructuring and acquisition services for a period of 12 months. Under this arrangement, Enlighten would assist the Company to identify and link-up with potential design companies for which the Group could co-operate with or acquire.
- (c) An advertising campaign services agreement dated 8 May 2020 between the Company and Share News Media Limited (“**Share News Media**”) pursuant to which the Company agreed to provide a 12-month sponsorship for a weekly Friday finance programme of the “Sky finance Channel” for a fixed fee of HK\$1.8 million. By a letter dated 1 July 2020, Share News Media agreed that the commencement date for these services would be deferred to 1 January 2021 due to COVID-19.
- (d) A business and consultancy services agreement dated 11 May 2020 between AccTree Business Services & Consultancy Limited (“**AccTree**”) and the Company pursuant to which AccTree agreed to advise the Company in relation to its financial and business matters including reviewing the Group’s interim and annual reports, reviewing announcements, advising on matters relating to Hong Kong Financial Reporting Standards and performing project management services for a period of three (3) years for a fee of HK\$9.5 million. By a letter dated 10 August 2020, AccTree agreed that the service period would be deferred to the period from 1 January 2021 to 13 November 2023 due to COVID-19.
- (e) An internal control consultancy services agreement dated 13 May 2020 between AccTree and the Company pursuant to which AccTree agreed to advise the Company in relation to its internal control matters including reviewing the internal controls of the Group as requested by the Company from time to time and to keep the Company updated on internal control best practices and the Company’s statutory obligations for a period of three (3) years for a fee of HK\$3 million. By a letter dated 12 August 2020, AccTree agreed that the service period would be deferred to the period from 1 January 2021 to 13 November 2023 due to COVID-19.
- (f) A business consultant and management services agreement dated 19 May 2020 between the Company and Easy Global Profits Limited (“**Easy Global**”) pursuant to which Easy Global would provide business consultancy and management services to the Group in Cambodia, Malaysia and Macau for a period of one (1) year for a fee of HK\$1.8 million. By a letter dated 1 July 2020, Easy Global agreed that the commencement date for the provision of such services would be deferred to 1 January 2021.

- (g) A production and media placement services agreement dated 21 May 2020 between the Company and Share News Media pursuant to which Share News Media agreed to provide quarter page production and media placement services on a daily basis on the Finance Page of Sing Pao Daily Newspapers for the period from June to August 2020 for a fixed fee of HK\$1.2 million. By a letter dated 1 July 2020, Share News Media agreed that the commencement date for these services would be deferred to 1 January 2021 due to COVID-19.
- (h) A retainer services agreement dated 2 June 2020 between the Company and Fortune King's Industries Limited ("**Fortune King**") pursuant to which Fortune King agreed to be retained to provide investment advisory services for a period of two (2) years for a fee of HK\$100,000 per month (reduced to HK\$2 million if paid in advance). By a letter dated 1 July 2020, Fortune King agreed that the commencement date for these services would be deferred to 1 January 2021 due to COVID-19.

In relation to these arrangements, PricewaterhouseCoopers requested for, among other things, the following information:

- (1) Background of the service providers including their shareholders, directors and key management and past credentials; their roles and involvements in the Company's initial public offering ("**IPO**"), if any and their relationship with the Group, the Group's management and Quasar Securities Co Limited ("**Quasar**"), one of the Joint Lead Managers of the Company's IPO.
- (2) Commercial substance and business rationale in engaging these service providers to provide the stated services and the payment arrangements with these service providers.
- (3) Details of the Group's service procurement and vendor selection procedures, internal control and approval procedures conducted and proposals/materials considered before the Group engaged the abovementioned service providers.
- (4) Whether the level of service fees and payment terms are comparable to market price and practices for similar professional and consultancy services by service providers of similar sizes.
- (5) Whether any of the amounts paid to Enlighten and Acctree represented listing expenses or form part of the planned use of proceeds as described in the Company's prospectus.
- (6) Details of the services already provided for the financial year ended 31 December 2020 and after the year end date.
- (7) Reasons for the amounts initially withheld by Quasar for payment of fees and expenses from the Company's IPO proceeds and subsequently paid back to the Company.

In addition, in relation to the Discretionary Investment Management Agreements between Ngai Chin (a subsidiary of the Company) and Leo Asset Management whereby Ngai Chin initially deposited an amount of HK\$12.2 million with Leo Asset Management, PricewaterhouseCoopers has requested for information relating to the background, operations, financial and fair value assessment of the investee

company invested by Leo Asset Management, the management's involvement in this investee company and the management's assessment whether the investment was made by Leo Asset Management within the scope of the agreed investment guidelines.

The Company is in the process of collating the information and documents required to address PricewaterhouseCoopers's requests. As a result, the publication of the Annual Results will be unavoidably delayed.

Further announcement(s) will be made updating the progress of the audit as appropriate in accordance with the Listing Rules.

Pursuant to Rules 13.49(1) of the Listing Rules, the Company is required to publish the Annual Results on or before 31 March 2021. Rule 13.49(3) of the Listing Rules provides that where an issuer is unable to issue its preliminary results, it must announce its results based on the financial results which have yet to be agreed with the auditor (so far as the information is available).

The Board, after due and careful consideration, is of the view that it would not be appropriate for the Company to publish the unaudited management accounts of the Group for the year ended 31 December 2020 at this stage as it may not accurately reflect the financial performance and position of the Group.

POSTPONEMENT OF BOARD MEETING

Reference is made to the Company's announcement dated 19 March 2021 in relation to the notice of the Board meeting proposed to be held on Wednesday, 31 March 2021 for the purpose of, among other matters, considering and approving the Annual Results and its publication thereof.

The Board wishes to announce that since additional time is required for the Company and its auditor to resolve the matters set out above, the date of the Board Meeting will be postponed from 31 March 2021 till further notice.

SUSPENSION OF TRADING

The Company will make an application to The Stock Exchange of Hong Kong Limited to suspend the trading of its shares with effect from 9:00 a.m. on Thursday, 1 April 2021 pending the release of the Annual Results.

By order of the Board
Raffles Interior Limited
Chua Boon Par

Chairman, chief executive officer and executive director

Hong Kong, 31 March 2021

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Chua Boon Par, Mr. Ding Hing Hui and Mr. Leong Wai Kit; and three independent non-executive directors, namely Mr. Chia Kok Seng, Mr. Gay Soon Watt and Mr. Wong Heung Ming Henry.