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Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

INSIDE INFORMATION
UPDATES FROM INDEPENDENT BOARD COMMITTEE
TEMPORARY SUSPENSION OF DUTIES FOR MR ZHENG NENGHUAN

Reference is made to the announcement issued by Raffles Interior Limited (the "**Company**", together with its subsidiaries, the "**Group**") on 15 December 2025 regarding the establishment of the independent board committee (the "**IBC Announcement**"). This announcement is made by the board (the "**Board**") of directors of the Company (the "**Director(s)**") pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the "**Listing Rules**") on 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). Unless the context requires otherwise, the capitalised terms used in this announcement shall have the same meanings as those defined in the IBC Announcement.

The Board wishes to inform the shareholders of the Company ("**Shareholders**") that pursuant to a duly convened Board meeting, following proper notice and satisfaction of quorum requirement in accordance with the Company's articles of association and held on 15 December 2025 (the "**Board Meeting**"), **the Board resolved**, among others (1) the formation of the Independent Board Committee be approved, ratified and confirmed; and (2) the Independent Board Committee shall have access to sufficient resources to perform its duties and the Independent Board Committee is entitled to seek independent professional advice, at the Company's expense, to perform its responsibilities. All previous and future engagement of external professional advisers, including but not limited to, the engagement of external forensic expert and Hong Kong legal adviser to be performed by DLA Piper Hong Kong and the engagement of PRC legal adviser to be performed by LongAn Law Firm etc., be approved, ratified and confirmed.

At the Board Meeting, members of the Independent Board Committee, as advised by the Hong Kong legal adviser to the Independent Board Committee, came to the preliminary view that there were credible grounds for further investigation of conduct by Mr. Zheng Nenghuan given that:

(1) Mr. Zheng Nenghuan was involved in the unauthorized signing and execution of the Sale and Purchase Agreement (as defined under the Company's announcement dated 10 November 2025);

(2) Mr. Zheng Nenghuan failed to declare his interest in such Sale and Purchase Agreement contrary to the requirements under the Company's articles of association;

(3) Mr. Zheng Nenghuan unilaterally instructed a halt in trading of the Company's shares on 4 November 2025 without prior notice to or consultation with the Board;

(4) the numerous Complaint Letters received by the Company, including (a) the **Letter from the Auditor** (as defined under the Company's announcement dated 24 November 2025) where the Company's external auditors expressed that the claims and allegations against Mr. Zheng Nenghuan in certain other Complaint Letter not only cast a direct and severe threat to the personal and professional integrity of Mr. Zheng Nenghuan but also undermine the overall governance of the Board. The Letter from the Auditor also included the Company's external auditors' request to the Board (i) to provide comprehensive formal response addressing all the questions and concerns pertaining to the Sale and Purchase Agreement, and (ii) to report on, among others, investigative steps undertaken and remedial actions planned; (b) the **Complaint Letter** received by the Board on 22 November 2025 (as defined under the Company's announcement dated 28 November 2025) regarding the multiple litigation counts involving Mr. Zheng Nenghuan, his spouse, his/her/their special purpose vehicle(s) and/or entities with company names that closely resemble the company names of his/her/their special purpose vehicle(s), which, according to preliminary investigation from the Independent Board Committee, is sufficient to conclude that Mr. Zheng Nenghuan has potentially failed to make the required disclosure to the Board and to the Shareholders pursuant to one or more provisions under Listing Rule 13.51(2)(h) to (v); and (c) the **Complaint Letter** received by the Board on 18 November 2025 (as defined under the Company's announcement dated 24 November 2025) regarding questionable land use right of and the agreed contract price of HK$300 million to acquire the target asset under the Sale and Purchase Agreement; and

(5) the letter addressed to the Company dated 14 November 2025 regarding certain **Demand Letter** (as defined under the Company's announcement dated 20 November 2025) against Mr. Zheng Nenghuan for an outstanding payment which, in the event that the claimant is successful in its actions, it will take all necessary steps to exercise its Disposition Right (as defined under the Company's announcement dated 20 November 2025) which includes a right to require Mr. Zheng Nenghuan to transfer any or all shares held by Mr. Zheng Nenghuan in the Company to the said claimant.

The Independent Board Committee has been advised that, while the Independent Board Committee is looking into whether there is fraud, breach of trust or negligence from Mr. Zheng Nenghuan, the Independent Board Committee also needs to assess and review the integrity of the Board that needs to

be safeguarded. If Mr. Zheng Nenghuan continued to execute his daily function as Chairman of the Board and an executive Director, the other Directors need to assess the risk of Mr. Zheng Nenghuan further breaching his Director's duties with respect to entering into of any other contracts of significance to the Company, for and on behalf of the Company, in light of his general power to enter into any commercial or financial transactions on behalf of the Company and in the events illustrated above, without the Board's approval.

In consideration of the above, to preserve the integrity of the Board, to facilitate the conduct of all necessary internal investigation to authenticate the details contained in all of the above letters, to facilitate proper continuance of the Group's external audit and ensure the Group's ability to comply with the requirements to publish its annual audited financial statements as required by the Listing Rules, **the Independent Board Committee requested, and the Board unanimously resolved**, the temporary suspension of duties of Mr. Zheng Nenghuan ("**Suspension of Duties**") for his role as Chairman of the Board and an executive Director with immediate effect until the completion of, among others, the internal investigation by the Independent Board Committee.

The Board also unanimously resolved that, during the period of Mr. Zheng Nenghuan's Suspension of Duties:

(1) Mr. Zheng Nenghuan remains a Director of the Company and continues to be subject to director's duties and responsibilities according to applicable laws, rules and regulations;

(2) all of Mr. Zheng Nenghuan's day-to-day duties, powers and authorities be suspended pending outcome and completion of the investigation by the Independent Board Committee;

(3) Mr. Zheng Nenghuan's access to certain internal documents of the Company be limited to a need-to-know basis;

(4) Mr. Zheng Nenghuan shall continue to cooperate and work with the Board to respond to queries from the Stock Exchange, the Independent Board Committee, and the professional parties engaged/to be engaged by the Independent Board Committee;

(5) the Company has the authority to inform its core business stakeholders relating to the above; and

(6) Mr. Wong Heung Ming Henry, the Company's independent non-executive Director and former non-executive Chairman, be appointed the acting Chairman of the Board.

The Company does not expect that the temporary suspension of the day-to-day duties, powers and authorities of Mr. Zheng Nenghuan will result in any material disruption to the daily business and operations of the Group as a whole.

The Company will publish further announcement(s) to inform its Shareholders and potential investors any material developments in connection with the above matter.

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
Independent non-executive Director

Hong Kong, 17 December 2025

As at the date of this announcement, the executive directors of the Company are Mr. Zheng Nenghuan (duties suspended) and Mr. Ding Hing Hui; the non-executive director of the Company is Ms. Loke Pui San; and the independent non-executive directors of the Company are Mr. Gay Soon Watt and Mr. Wong Heung Ming Henry (acting Chairman of the Board).