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Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

INSIDE INFORMATION
UPDATE FROM INDEPENDENT BOARD COMMITTEE
INTERIM FINDINGS FROM INDEPENDENT INVESTIGATION

Raffles Interior Limited refers to (i) its announcement dated 16 February 2026 (the "**Audit Concern Announcement**"), and (ii) the Announcements Concerning Integrity of Zheng Nenghuan (as defined in the Audit Concern Announcement).

This announcement is made by the Board pursuant to Listing Rule 13.09(2)(a) 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 otherwise defined herein, capitalized terms used in this announcement are defined in the Audit Concern Announcement.

Interim Findings from Independent Investigation

As previously disclosed under the Announcements Concerning Integrity of Zheng Nenghuan ((the former Chairman and current Executive Director of the Company (with executive duties temporarily suspended)), the independent investigation was initiated by the Independent Board Committee following a series of events in November 2025 involving, among others, the unilateral execution of a Sale and Purchase Agreement by Mr. Zheng, Mr. Zheng's unilateral instruction to halt trading in the Company's shares before the morning trading session on 4 November 2025, subsequent revelations concerning the nature of the transaction underlying the Acquisition and execution of the Sale and Purchase Agreement, Mr. Zheng's undisclosed personal interests in the Acquisition, and the background to Mr. Zheng's undisclosed past and present litigation record (the "**Series of Events Involving Mr. Zheng**").

On 15 March 2026, the Independent Board Committee received a 47-page report titled "*Interim Independent Investigation report for Raffles Interior Limited*" ("**Interim Report**") issued by DLA Piper Hong Kong, an independent investigation agent commissioned by the Independent Board Committee. The Interim Report presents the interim findings of the independent investigation conducted on behalf of the Independent Board Committee concerning, among others, allegations of misconduct, potential fraud, conflict of interest, and breach of fiduciary duties by Mr. Zheng.

The interim findings under the Interim Report, subject to limitations contained in the Interim Report, are extracted as follows:

(1) the Series of Events Involving Mr. Zheng potentially constitutes breach of director's fiduciary duties by Mr. Zheng, contravention in a number of Listing Rules by Mr. Zheng, and potential fraud committed by Mr. Zheng against the Company and its shareholders. In particular:

   (a) ***Breach of fiduciary duties:*** Mr. Zheng's execution of a HK$300 million self-dealing transaction without Board approval, his misrepresentation of the Seller as an "independent third party" when Mr. Zheng himself was in fact the ultimate beneficial owner of the Seller, and his dismissal of legitimate legal concerns raised by other members of the Board, collectively demonstrate a failure to act in good faith in the best interests of the Company and a breach of his duty to avoid conflicts of interest.

   (b) ***Breach of the Listing Rules:*** Mr. Zheng's failure to disclose his multiple litigations, his historical designation as a "dishonest person" subject to enforcement, and the bankruptcy of a company where he served as director, constitute potential breaches of, among others, the disclosure requirements under Rules 13.51(2)(k) and 13.51(2)(l) of the Listing Rules.

   (c) ***Potential fraud:*** The misrepresentation of the Seller's identity, the concealment of Mr. Zheng's beneficial ownership, the attempt to induce the Board to approve a HK$300 million self-dealing transaction, the suspicious timing of the SPA, and the trading halt on the same day Mr. Zheng received a margin call notice from Get Nice Securities, collectively give rise to reasonable grounds to believe that Mr. Zheng attempted to mislead or defraud the Board and the Company's shareholders.

(2) Mr. Zheng cannot claim ignorance of his duties as a director of a listed company. The evidence demonstrates that Mr. Zheng was provided with training materials on directors' duties and the Listing Rules requirements, had continuous access to the Company's legal counsel, and has engaged at least 3 law firms of capital markets lawyers throughout the relevant period. Mr. Zheng's breaches were therefore committed with knowledge of the legal and regulatory framework governing his conduct as a Director; and

(3) a further independent investigation must be conducted to protect the interests of the Company and its shareholders. The recommended next steps, including the suggested scope of a further investigation, arising from the investigation include, but are not limited to:

   (a) a comprehensive review of all agreements, documents and resolutions approved or signed by Mr. Zheng for the period between 10 September 2025 and 15 December 2025 to identify any actual or contingent liabilities, guarantees or indemnities that may give rise to financial exposure for the Company;

(b) identification and analysis of all related parties directly or indirectly controlled by, beneficially owned by, or subject to significant influence of Mr. Zheng, including an assessment of whether any transactions constitute related party or connected transactions under applicable accounting standards and Listing Rules requiring disclosure or approval; and

(c) an assessment of the potential legal consequences and financial implications for the Company arising from the non-completion of the Sale and Purchase Agreement, including exposure to damages, penalties or litigation.

Interim Assessment based on Interim Findings and Evidence Reviewed

Based on the aforementioned interim findings and the evidence reviewed, the investigation agent provided the following interim assessment and conclusion on Mr. Zheng's conduct:

(1) the investigation agent's interim view is that there are reasonable grounds to believe that Mr. Zheng attempted to mislead or defraud the Board members during the 5 November 2025 Board meeting;

(2) the interim findings set out above demonstrate a pattern of conduct in which Mr. Zheng misrepresented the identity of the Seller, executed a transaction of extraordinary magnitude without Board approval, failed to disclose his personal interest in the Acquisition, and dismissed legitimate legal concerns raised by the Company's legal counsel. The cumulative effect of these actions is that Mr. Zheng sought to induce the Board to approve a HK$300 million transaction that would have resulted in the Company paying that sum to entities ultimately beneficially owned by Mr. Zheng himself;

(3) the transcript evidence shows Mr. Zheng suggested the Acquisition was the very reason he became the majority shareholder of the Company raises the serious question of whether the entire sequence of events, from Mr. Zheng's acquisition of 510 million shares of the Company in July 2025, to his appointment as Chairman in September 2025, to the execution of the Sale and Purchase Agreement in November 2025, was planned from the outset as a means of transferring HK$300 million from the Company for Mr. Zheng's personal benefit; and

(4) based on the above, it is also the investigation agent's interim view that Mr. Zheng's conduct demonstrates a pattern of misrepresentation, conflict of interest, and disregard for proper corporate governance that calls into serious question whether Mr. Zheng remains fit and proper to continue his role in the management of the Company.

Limitations of the Interim Report

The Interim Report is subject to certain key limitations, including but not limited to:

(1) the investigation agent relies on the voluntary cooperation of the Company as well as all relevant counterparties. Notably, Mr. Zheng has not cooperated with the investigation;

(2) the investigation agent relies on the assumption that all documents and information provided are true and complete. Accordingly, the present interim findings are premised on, and necessarily limited by, the completeness and veracity of the materials furnished to the investigation agent;

(3) the investigation agent has requested for interview with all relevant individuals but not all people have responded to the request; and

(4) the investigation agent has not undertaken any forensic accounting analysis or forensic IT examination of electronic devices or systems in preparing the Interim Report.

Nonetheless, despite the lack of cooperation by Mr. Zheng in the investigation process, the investigation agent is satisfied that there are sufficient evidentiary basis to support the issuance of the Interim Report as the limitations do not materially affect the reliability of the investigation results.

Independent Board Committee's further review and implementation of next steps

The Independent Board Committee is deliberating on the implementation plan with respect to the numerous recommended next steps proposed by the investigation agent. One of the Independent Board Committee's observations in the investigation process is Mr. Zheng has deliberately and persistently refused to cooperate with the investigation agent, despite multiple invitations extended since December 2025, thereby depriving shareholders of the Company the opportunity to understand the full extent and seriousness of the alleged wrongdoings involving Mr. Zheng. The Independent Board Committee is advised that, should the Independent Board Committee retain the current investigation agent to conduct the expanded investigation, it is anticipated that such expanded investigation would, subject to various considerations, require approximately four to six months to complete due to, among others (i) the volume of documents to be reviewed, (ii) the cross-jurisdictional nature of the investigation and enquiries, and (iii) the complexity of the related party analysis required.

In formulating appropriate next steps, the Independent Board Committee will also take into consideration the requests by the external auditors of the Company, including suggestions that the Company should take actions to reinforce and expedite the IBC investigation process to minimise and mitigate risks of any impact to the completion of the audit of the Company. The Independent Board Committee, with the assistance of the investigation agent and external legal advisors, will continue to pursue its investigation independently, impartially and rigorously. The Independent Board Committee will report its further findings and recommendations to the Board in due course.

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

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, 16 March 2026

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