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Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

INSIDE INFORMATION
RECEIPT OF SECOND NOTIFICATION LETTER
REGARDING LEGAL ACTIONS AGAINST ZHENG NENGHUAN

This announcement is made by the board (the "**Board**") of directors (the "**Director(s)**") of 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 20 November 2025 (the "**First Notification Announcement**") in relation to the receipt of a letter of notification regarding a legal action taken against Mr. Zheng Nenghuan (a Director and the current controlling shareholder of the Company) relating to an outstanding service fee due and unpaid by Mr. Zheng Nenghuan in the sum of HK$10 million. Unless otherwise defined herein, capitalized terms used in this announcement are defined in the First Notification Announcement.

The Board wishes to inform the Shareholders that it has received another notification letter from an international law firm dated 20 May 2026 ("**Second Notification Letter**") issued on behalf of the Claimant and addressed to the Company for the attention of the Board.

The Second Notification Letter sets out, among others:

1. the Claimant and Mr. Zheng Nenghuan had entered into three deeds relating to provision of advisory services ("**Deeds of Advisory Services**") dated 1 November 2025, 1 January 2026 and 21 March 2026, respectively. Pursuant to the Deeds of Advisory Services, Mr. Zheng Nenghuan is obliged to pay the Claimant service fees in the total sum of HK$28 million;

2. pursuant to the personal indemnities given by Mr. Zheng Nenghuan in favour of the Claimant under each of the Deeds of Advisory Services, in the event of failure by Mr. Zheng Nenghuan to comply with his payment obligations for the services rendered, the Claimant is entitled to, at its sole and absolute decision, require Mr. Zheng Nenghuan to (a) transfer or procure the transfer of any assets that he owns or shall own (whether in the form of real property, shares or securities), whether owned directly or indirectly through special purpose vehicles, and/or (b) transfer any or all shares acquired directly or indirectly by Mr. Zheng Nenghuan (as defined under the Deeds of Advisory Services) through the exercise of the Disposition Right by the Claimant such that the Claimant can recuperate an amount that can at least cover the size of the outstanding service fees;

3. according to the Second Notification Letter, Mr. Zheng Nenghuan has failed and/or refused to pay the service fees underlying both the Deed of Advisory Service (as defined in the First Notification Announcement) and the Deeds of Advisory Services (together with the Deed of Advisory Service, the "**Deeds**") for services rendered by the Claimant; and therefore, Mr. Zheng Nenghuan is in breach of his payment obligations under the aforementioned Deeds;

4. consequently, the Claimant is entitled to, at its sole and absolute decision, require Mr. Zheng Nenghuan to transfer his controlling stake in the Company to recover all service fees that are outstanding under the aforementioned Deeds in the aggregate sum of HK$38 million; and

5. apart from the legal action taken by the Claimant against Mr. Zheng Nenghuan as described in the First Notification Announcement, the Claimant has taken a second legal action against Mr. Zheng Nenghuan to enforce its rights under the Deeds of Advisory Services. In the event that the Claimant is successful in any of its actions, it will take all necessary steps to exercise its Disposition Right.

While the Board is unable to verify the accuracy of the factual description under the Second Notification Letter, and the salient terms under the aforementioned Deeds (which purportedly provides the Claimant with the Disposition Right), the Board considers the receipt of the Second Notification Letter together with the potential exercise of the Disposition Right as stated in the Second Notification Letter to be material inside information for the Company and its Shareholders.

The Board will continue to actively pursue internal investigations with enquiries with Mr. Zheng Nenghuan, and is seeking legal advice as to whether and when an exercise of Disposition Right would result in general offer by the Claimant pursuant to the "Codes on Takeovers and Mergers and Share Buy-backs" and whether such would result in further prolonged suspension in the trading of the Company's securities.

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, 20 May 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.