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Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

UPDATE ON THE DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF 51% EQUITY INTEREST OF THE TARGET COMPANY INVOLVING THE ISSUE OF CONVERTIBLE NOTE UNDER GENERAL MANDATE

Reference is made to the announcements of Raffles Interior Limited (the “**Company**”) dated 1 August 2023, 15 August 2023, 29 August 2023, 8 January 2024 and 27 November 2024 (the “**Announcements**”), in relation to the acquisition of 51% equity interest of 武漢二廠汽水有限公司 (the “**Target Company**”) involving the issue of the Convertible Note as Consideration to the Acquisition. Unless the context requires otherwise, capitalized terms used herein shall have the same meanings as defined in the Announcements.

The Company would like to provide updates on the status of the Convertible Note.

Pursuant to the Agreement in relation to the acquisition of 51% equity interest of the Target Company, the Vendor guaranteed to the Company (as Purchaser) that the net profit after tax of the Target Company for each of year 2024 and 2025 (the “**Profit Guarantee Period**”) shall not be less than HK\$5,000,000 per annum (the “**Guaranteed Net Profit**”). However, the unaudited financial results and the unaudited management accounts of the Target Company for the six months ended 30 June 2024 and the nine months ended 30 September 2024, respectively, revealed that the Target Company continued to record a net loss and showed no visibility of profitability. Based on information available to the Company and considering the nature of the Target Company’s business, the Company remains doubtful on the Target Company’s ability to meet the Guaranteed Net Profit for the year ending 31 December 2024.

The key terms of the Agreement, including the Guaranteed Net Profit as well as representations and warranties provided by the Vendor, were the main factors in the formulation of the Consideration. In light of the significant potential shortfall between the representations and guarantees provided by the Vendor under the Agreement and the actual financial results of the Target Company, the Company believes it would be prudent to reassess the financial prospects of the Target Company and revisit the key terms of the Agreement before issuing any Conversion Shares to the Vendor. The Company has further decided to extend the commencement date of the conversion period for the issue of the

Conversion Shares until after, among others, (i) the audited financial statements of the Target Company for the twelve months ended 31 December 2024 is made available, and (ii) the Company is reasonably satisfied that the Target Company can demonstrate its ability to generate through the ordinary course of its business, the Guaranteed Net Profit that the Vendor had guaranteed.

The Company will provide further updates on the status of the Convertible Note as and when there is material development regarding the same.

By Order of the Board
Raffles Interior Limited
Mr. Wong Heung Ming Henry
Non-executive Chairman and independent non-executive director

Hong Kong, 28 November 2024

As at the date of this announcement, the executive director of the Company is Mr. Ding Hing Hui; the non-executive director of the Company is Ms. Peng Shangfeng; and the independent non-executive directors of the Company are Mr. Gay Soon Watt, Mr. Wong Heung Ming Henry and Mr. Tan Chong Huat.