

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

INSIDE INFORMATION UPDATE ON 2025 ANNUAL AUDIT PROGRESS UNCERTAINTY OVER AUDIT COMPLETION RELATING TO UNRESOLVED INTEGRITY ISSUES CONCERNING ZHENG NENGHUAN AS EXECUTIVE DIRECTOR OF THE COMPANY

Reference is made to various previous announcements of the Company:

- (1) on 10 November 2025, regarding, among others, the unauthorized entering into of the Sale and Purchase Agreement, a potential connected party transaction and a very substantial acquisition, at a contract amount of HK\$300,000,000 by Mr. Zheng Nenghuan (“**Mr. Zheng**”), an executive Director and controlling shareholder of the Company, and Mr. Zheng’s unilateral instruction to halt the trading of the shares of the Company on 4 November 2025;
- (2) on 20 November 2025, regarding a Demand Letter which sets out Mr. Zheng’s potential failure to fulfil certain of his payment obligations which could result in the claimant’s exercise of certain Disposition Right against Mr. Zheng’s assets and correspondingly may affect Mr. Zheng’s shareholding in the Company;
- (3) on 24 November 2025, regarding a complaint letter addressed to, among others, the Company’s external auditors, alleging a conspiracy by Mr. Zheng to defraud the Company and its minority shareholders due to reasons including the Target Asset under the Sale and Purchase Agreement being undeveloped with an estimated market value that should be far below the contracted price of HK\$300,000,000;
- (4) on 24 November 2025, regarding the Letter from Auditor expressing concerns of the Company’s external auditors over the management integrity and the inherent risk profile of the ongoing audit engagement in light of, among others, a complaint letter received by the Company’s external auditors;

- (5) on 24 November 2025, regarding (i) Mr. Tan Chong Huat's resignation as an independent non-executive Director with a confirmation in the announcement that he had no disagreement with the Board until and after the announcement on 10 November 2025, and (ii) the resignation by the Group's previous chief financial officer confirming in the announcement that her resignation was due to the draconian approach of the new leadership within the Board;
- (6) on 25 November 2025, regarding, among others, the receipt of a request from Mr. Zheng as the Company's controlling shareholder to remove all other Directors of the Board, including all independent non-executive Directors;
- (7) on 28 November 2025, regarding a complaint letter alleging Mr. Zheng as unsuitable to act as a Director and revealed a report showing 100 counts of Court disputes and/or litigations involving Mr. Zheng, his spouse, his/her/their special purpose vehicles and/or entities with company names that closely resemble the names of his/her/their special purpose vehicle(s). It was noted that a majority of these cases related to financial loan disputes, transfer of ownership of shares, private credit and personal loan disputes, guaranteeing of loans etc. spanning across years between the period 2014 and 2025;
- (8) on 15 December 2025, regarding the formation of the Independent Board Committee to, among others, commence and conduct an independent investigation into the specific allegations under the various complaint letters received by the Company;
- (9) on 15 December 2025, regarding, among others, details of the Requisition Notice to convene an EGM for the purpose of considering and, if thought fit, passing certain proposed resolutions to, among others (i) remove all other Directors of the Board (with the exception of Mr. Zheng), including all independent non-executive Directors, and (ii) appoint 5 new directors to the Board;
- (10) on 17 December 2025, regarding the Board's decision to temporarily suspend the executive duties of Mr. Zheng;
- (11) on 31 December 2025, regarding the receipt of the Second Requisition Notice and an originating summons issued by Mr. Zheng against the Company and that there was no supporting affidavit from Mr. Zheng included in the summons;
- (12) on 13 January 2026, regarding a complaint letter alleging, among others, Mr. Zheng's suspected violation of PRC foreign exchange regulations and alleged also a transfer of China domestic assets that may not have completed the requisite registration with PRC government authorities and that such actions may have an adverse implication against the Company. The complaint letter also expressed certain discontentment that the Company has not sufficiently disclosed the way in which the Sale and Purchase Agreement was being handled, despite the Company's previous disclosure of its intention not to proceed with the Acquisition;
- (13) on 16 January 2026, regarding receipt by the Company of an injunctive order sought by Mr. Zheng through Han Vision which ordered that the Company shall not, among others, issue the New Shares before the Return Date;

- (14) on 22 January 2026, regarding the Company's breach of certain Listing Rules as a result of the resignation of an independent non-executive Director; and
- (15) on 1 February 2026, regarding a complaint letter alleging a strong suspicion that Mr. Zheng's Unauthorized Trading Halt on 4 November 2025 may relate to a possible intention to prevent a forced liquidation of certain pledged shares pursuant to certain Margin Call Notice, and further alleging that such actions could potentially constitute a form of market misconduct that may be in breach of securities laws and regulations and further that there may be a breach of Mr. Zheng's duties as a Director, together, the **"Announcements Concerning Integrity of Zheng Nenghuan"**.

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 respective Announcements Concerning Integrity of Zheng Nenghuan.

Audit Committee's concern from a recent meeting with the Company's external auditors

The Audit Committee held a meeting on 12 February 2026 (**"AC Meeting"**) with the external auditors of the Company. In response to the materials provided prior to the AC Meeting, including the status update on the IBC investigation and summary of actions taken by the Company, the external auditors of the Company reported their progress in their preparation of the annual audit and highlighted issues that have to be resolved for completion of the annual audit.

Based on comments from the external auditors of the Company at the AC Meeting, as more particularly outlined below, the Audit Committee recommended that the Company should issue an announcement to inform the Shareholders of the concerns and uncertainty expressed by the external auditors over the completion of the audit and publication of audited annual results for the year ended 31 December 2025 in compliance with the Listing Rules (the **"2025 Audited Annual Results"**) which is believed to be material.

Expansion of the Company's external auditors' scope of work

At the AC Meeting, the external auditors of the Company expressed, among others, that (1) the preliminary findings of the IBC, which seem to suggest Mr. Zheng may have attempted to mislead or defraud other Board members at the Board meeting held on 5 November 2025 to review and ratify the Sale and Purchase Agreement, together with all the allegations under each of the Announcements Concerning Integrity of Zheng Nenghuan, *raises profound integrity concerns regarding Mr. Zheng as an executive Director*; and (2) (i) the litigations involving Mr. Zheng including the originating summons issued by Mr. Zheng against the Company; (ii) the Demand Letter with the Disposition Right against Mr. Zheng's assets; (iii) the unresolved termination of the Sale and Purchase Agreement; and (iv) the potential overhaul of the entire Board excluding Mr. Zheng, at the requisition of Mr. Zheng as the controlling shareholder of the Company, together *cast material concerns and uncertainties on the Group's ability to continue as a going concern*.

The external auditors of the Company reported that the audit procedures, with reference to the updated information, have to be adjusted with a substantial expansion in their scope of work, particularly with respect to related-party transactions, internal control, corporate governance practices and potential contingencies. The external auditors of the Company warned that it has to take time to properly complete the remaining and expanded scope of work and there may be a corresponding impact on the time it may take in to complete the audit for the year ended 31 December 2025. The external auditors of the Company invited the Company and its management team to provide all necessary assistance to facilitate the earliest completion of the audit.

Qualification to audit opinion would not resolve external auditors' concerns on management integrity and material uncertainties over the Group's ability to continue as a going concern

At the AC Meeting, the external auditors of the Company explained to the Audit Committee that if the IBC investigation cannot be properly completed with conclusive evidence before the regulatory permitted time for completing the audit, the external auditors of the Company is likely to maintain a concern over the integrity of the management. Such concern has a pervasive impact on financial statements as a whole and cannot be addressed adequately by a single or a limited number of qualifications to the auditors' opinion on the financial statements of the Company. Under such circumstances, the external auditors of the Company would not likely to be in a position to express an audit opinion, whether or not qualified, and complete the audit of the Company.

Recommendation from the Company's external auditors

The external auditors of the Company suggested 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, which may affect the Company's compliance with governing regulations including the Listing Rules. The external auditors of the Company also advised that a direct enquiry with Mr. Zheng and other directors would be helpful in gathering useful evidence and could potentially expedite the audit review procedures.

Warning statement

Given the additional time expressed by the external auditors of the Company required to attend to and complete the remaining and expanded scope of work in order to complete the audit of the Company, and the lack of active cooperation experienced by the management from Mr. Zheng in completing the internal investigation being conducted by the IBC with the assistance of external advisers, it is believed that the external auditors of the Company may be hard pressed to properly clear its concerns, complete its audit and express an audit opinion whether or not with qualifications. The management has a concern over the ability of the external auditors to complete its audit for the Company to duly publish the 2025 Audited Annual Results on or before 31 March 2026.

Pursuant to Rule 13.50 of the Listing Rules, the Stock Exchange will normally require suspension of trading in an issuer's securities if an issuer fails to publish periodic financial information in accordance with the Listing Rules until the issuer publishes an announcement containing the requisite financial information.

The Company will continue with its ongoing efforts to work with the external auditors of the Company to facilitate the completion the audit of the Company, including without limitation, its effort to seek proper cooperation from Mr. Zheng to complete the internal investigation in order to alleviate concerns of the auditors and to reduce the potential risk of a suspension of trading in the Company's shares for a failure to timely publish the 2025 Audited Annual Results in accordance with the Listing Rules.

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 February 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.