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Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

RESUMPTION GUIDANCE AND CONTINUED SUSPENSION OF TRADING

This announcement is made by 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 16 February 2026, 19 March 2026 and 31 March 2026 (the “**Suspension Announcements**”) in relation to, among others, the delay in publication of the 2025 Annual Results, the delay in despatch of the 2025 Annual Report and the suspension of trading. Unless otherwise defined herein, capitalized terms used in this announcement are defined in the Suspension Announcements.

On 22 May 2026, the Company received a letter from the Stock Exchange (“**Guidance Letter**”) setting out the Stock Exchange’s guidance for the resumption of trading in the shares of the Company (the “**Resumption Guidance**”). The Guidance Letter refers to (i) the trading suspension of the Company’s shares since 1 April 2026; (ii) the Suspension Announcements; (iii) the Company’s announcements between 10 November 2025 and 20 May 2026 in relation to the Matters (defined below); (iv) the Company’s announcement of 16 March 2026 in relation to the interim findings of the IBC Investigator (defined below); and (v) the Company’s submissions to the Stock Exchange between 21 November 2025 to 8 May 2026.

Under the Guidance Letter, the Stock Exchange highlighted that:

1. Between November 2025 and May 2026, the Company announced certain matters relating to and/or complaint letters against Mr. Zheng Nenghuan as follows:

(i) *Unauthorised Acquisition* — On 3 November 2025, Mr. Zheng Nenghuan entered into an agreement on behalf of the Company to acquire 100% equity interest in Kunyuan Asset Management Co., Ltd. (“**Kunyuan**”), at a consideration of HK\$300 million (the “**Acquisition**”). Kunyuan held the land use rights of a parcel of land in Shenzhen.

Mr. Zheng Nenghuan did not seek prior approval from the Board before entering into the Acquisition and was allegedly attempted to conceal his beneficial ownership in the seller of the Acquisition. The consideration was also alleged to be overstated and substantially higher than the Company’s available cash resources. It was also alleged that the Acquisition was entered into on the same day that a margin call was made against Mr. Zheng Nenghuan. The Board has raised concerns that the Acquisition may have been undertaken to support the perceived value of Mr. Zheng’s shareholding in the Company rather than for legitimate commercial purposes.

(ii) *Undisclosed litigations* — A complaint letter mentioned that Mr. Zheng Nenghuan, his spouse and their related entities were involved in approximately 100 litigations in the PRC between 2014 and 2025, primarily arising from loan-related disputes. Mr. Zheng was listed as a “dishonest person subject to enforcement” and/or subject to consumption restriction orders imposed by PRC courts.

(iii) *Demand letters* — In November 2025, Mr. Zheng received two demand letters regarding: (a) an outstanding service fee of HK\$10 million under an advisory services deed; and (b) a margin call of HK\$20.7 million issued by a securities firm. The demand letters indicated that failure to settle the outstanding amounts may entitle the counterparties to enforce their rights against Mr. Zheng’s shares in the Company, including disposal of such shares.

(Collectively, the “**Matters**”).

2. In light of the above, on 24 November 2025, the Company’s auditors issued a letter to the Board raising concerns over the management integrity, the reliability of the Company’s financial reporting and internal controls, the overall risk profile of the audit engagement and the Company’s ability to continue as a going concern. The auditors therefore substantially expanded the scope of their audit procedures, particularly in relation to related party transactions, internal controls, corporate governance practices, and potential contingencies. The auditors also requested the Board to conduct an investigation into the Matters.

3. On 15 December 2025, the Board resolved to suspend the duties of Mr. Zheng Nenghuan as the Company’s director and established an independent board committee (the “**IBC**”), comprising of all independent non-executive Directors, to investigate the Matters. The IBC subsequently appointed DLA Piper Hong Kong (the “**IBC Investigator**”) to conduct the investigation.

4. On 13 March 2026, the IBC Investigator provided the IBC with an interim report (“**Interim Investigation Report**”). The Interim Investigation Report stated the IBC Investigator’s preliminary view that Mr. Zheng Nenghuan had misrepresented the seller’s identity in the Acquisition, failed to disclose his personal interest in the Acquisition and sought to procure Board approval of the transaction without proper authorisation. The IBC Investigator stated that Mr. Zheng Nenghuan’s conduct demonstrated a pattern of misrepresentation, conflict of interest, and disregard for proper corporate governance, raising serious concerns as to whether Mr. Zheng Nenghuan remains fit and proper to continue his management role in the Company.
5. The IBC Investigator emphasized that its findings were based solely on the documents provided by the Board and the piecemeal information provided by Mr. Zheng Nenghuan. No forensic accounting analysis or forensic IT examination was conducted. Accordingly, the IBC Investigator could not ascertain the completeness and veracity of the materials furnished to them.
6. The IBC Investigator has also stated in the Interim Investigation Report that further investigation should be conducted to (i) examine whether there were other potential improper acts or irregularities arising from or connected with Mr. Zheng Nenghuan; (ii) assess the potential legal consequences, losses or damages to the Company arising from Mr. Zheng Nenghuan’s misconduct; and (iii) identify and analyse all related parties directly or indirectly controlled by, beneficially owned by, or subject to the significant influence of Mr. Zheng Nenghuan.
7. Given that the IBC investigation remains ongoing, and the Company’s management has not provided sufficient evidence to address the expanded audit procedures, the Company’s auditor is unable to complete the audit. Accordingly, the Company has been unable to publish its 2025 Annual Results.

Observations and concerns of the Stock Exchange

In light of the IBC Investigator’s interim findings, the Stock Exchange expressed in the Guidance Letter that there are serious concerns as to whether Mr. Zheng Nenghuan had sought to procure the Company’s entry into a HK\$300 million self-dealing transaction for his own benefit through misrepresentation of the seller’s identity, concealment of his beneficial ownership and failure to disclose his personal interest in the Acquisition. These matters raise concern about possible misuse or misappropriation of the Company’s assets. However, the IBC Investigator also noted that the Interim Investigation Report was subject to limitations, including the absence of forensic accounting analysis and forensic IT examination. These concerns call for an independent forensic investigation to be undertaken.

The Stock Exchange expressed in the Guidance Letter that the aforementioned matters give rise to their concerns about the integrity, competence and character of the Company’s management and/or any persons with substantial influence over the Company’s management and operations, and whether the Company has put in place adequate and sufficient internal control measures to safeguard its assets and compliance with the Listing Rules.

Without the 2025 Annual Results, the Stock Exchange expressed in the Guidance Letter that it is unable to monitor the Company's business activities, operation status and financial performance and assess whether it complies with its continuing listing obligation to maintain sufficient operations and assets under Rule 13.24 of the Listing Rules to warrant its continuing listing.

Resumption Guidance

Given the circumstances, the Stock Exchange has set out the following in the Guidance Letter as their requirements under the Resumption Guidance:

- (i) engage an independent investigator to conduct an appropriate independent forensic investigation into the Matters, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;
- (ii) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Company's management and/or any person with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (iii) engage an independent internal control consultant to conduct an independent internal control review and demonstrate that: (a) the material deficiencies identified in relation to the trading suspension have been rectified and all necessary remedial measures have been implemented; and (b) the internal controls of the Company are adequate and effective to serve their purposes and enable the issuer to comply with the Listing Rules in all material aspects, including but not limited to financial reporting, disclosure and compliance relating to notifiable and connected transactions and disclosure of material information;
- (iv) publish all outstanding financial results required under the Listing Rules and address any audit modification;
- (v) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (vi) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

The Stock Exchange requires that the Company must meet all Resumption Guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. Whilst the Company may seek the Stock Exchange's guidance on its resumption plan, its resumption plan is not subject to the Stock Exchange's prior approval before implementation. To assist the Company, the Stock Exchange may modify or supplement the Resumption Guidance if the Company's situation changes.

Further guidance from the Stock Exchange

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on **30 September 2027**. If the Company fails to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by **30 September 2027**, the Listing Division of the Stock Exchange will recommend the Listing Committee to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

The Guidance Letter further stated that the Company must also comply with the Listing Rules and all applicable laws and regulations in Hong Kong and its place of incorporation before resumption.

The Stock Exchange also requested the Company to make this announcement, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares to avoid delisting as soon as practicable.

While trading is suspended, the Stock Exchange reminds the Company of its obligations under the Listing Rules including, but not limited to:

- (a) keep the duration of any trading suspension to the shortest possible period as required under Rule 6.05 of the Listing Rules;
- (b) comply with its continuing obligations under the Listing Rules at all times, for example, those applying to notifiable and/or connected transactions under Chapters 14 and 14A of the Listing Rules and publication of periodic financial results and reports and, if they are not available, management accounts under Rules 13.46 to 13.49 of the Listing Rules;
- (c) announce inside information required to be disclosed under Part XIVA of the Securities and Futures Ordinance; and
- (d) announce quarterly updates on its developments under Rule 13.24A of the Listing Rules including, among other relevant matters:
 - its business operations;
 - its resumption plan with details of actions that it has taken and intends to take to remedy the issues causing its trading suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules and resume trading. The resumption plan should be accompanied with a clear timeframe in respect of each stage of work under the plan with a view that the Resumption Guidance can be fulfilled and trading can resume as soon as practicable and, in any event before the 18-month period expires;

- the progress of implementing its resumption plan; and
- details of any material change to the resumption plan and, in the case of delay, the reasons and impact of such delay.

Pursuant to the Guidance Letter, the Company must announce its first quarterly update on or before **30 June 2026** and every 3 months from that date until resumption or cancellation of listing (whichever is earlier).

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the Listing Rules to keep its shareholders and potential investors informed of the latest progress in fulfilling the Resumption Guidance.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on The Stock Exchange of Hong Kong Limited was suspended from 9:00 a.m. on 1 April 2026 and will remain suspended until further notice pending the fulfilment of the Resumption Guidance. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules.

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, 25 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.