Raffles Interior Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1376)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by the board of directors (the "**Board**") of Raffles Interior Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09 and Rule 13.24A 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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 23 March 2021, 24 March 2021, 31 March 2021, 1 April 2021, 23 April 2021, 25 May 2021, and 26 May 2021, in relation to (i) the possible delay in publication of the Group's audited annual results announcement for the year ended 31 December 2020, (ii) the suspension of trading of its shares; (iii) the resumption guidance, (iv) the change of auditor, and (v) the appointment of independent advisor and internal control advisor (the "**Announcements**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

Pursuant to Rule 13.24A of the Listing Rules, the Board would like to provide an update to the shareholders and potential investors of the Company on the Company's progress to meeting the Resumption Guidance.

RESUMPTION GUIDANCE

As disclosed in the announcement of the Company dated 23 April 2021, the Stock Exchange has imposed the following conditions for the Company to resume trading:

(a) conduct an appropriate independent investigation into the audit issues raised by the Company's former auditors, assess the impact on the Company's business operation and financial position, announce the findings and take appropriate remedial actions;

(b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

(c) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and

(d) inform the market of all material information for the Company's shareholders and investors to appraise the Company's position.

UPDATE ON THE INVESTIGATION AND THE 2020 AUDIT

As disclosed in the announcements of the Company dated 25 May 2021 and 26 May 2021, the Company's former auditor, PwC, tendered its resignation as the auditor of the Company with effect from 24 May 2021. Moore Stephens was appointed as the auditor of the Company to fill the casual vacancy following the resignation of PwC.

The Company also appointed Wellington Legal as its independent advisor and Baker Tilly as its internal control advisor to assist the resumption application of the Company.

As at the date of this announcement, Wellington Legal has agreed with Moore Stephens upon the scope of the Investigation and the Investigation has been commenced accordingly.

Moore Stephens has also begun its audit process by conducting field work in Singapore, where financial documents and accounting records in relation to the Issues and Group's operations are being examined and reviewed on site.

Meanwhile, Baker Tilly has also started performing the internal control review to assess and ascertain the internal control procedures of the Company during the period from 1 January 2020 to 31 December 2020.

BUSINESS OPERATIONS UPDATE

The Company is a Singapore-based interior fitting-out services provider. Interior fitting-out services typically involve the process of actualising designs in the interior space. The Company's interior fitting-out services include: (i) project management and construction management of the interior fitting-out projects; (ii) construction and installation of interior fitting-out works; (iii) customising, manufacturing and supply of carpentry/joinery and integral fixture; and (iv) maintenance of the projects that are undertaken on an ad-hoc basis.

Notwithstanding the suspension of trading, the Company is carrying on its business operations as usual.

As previously disclosed in the profit warning announcement dated 18 February 2021, the Group's revenue has been adversely affected by the outbreak of COVID-19. The Group will pay close attention to the development of the COVID-19 outbreak and continue to evaluate its impact on the financial position and operating results of the Group.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2021, and will remain suspended until further notice.

The Company will publish further announcement(s) to keep the Company's shareholders and potential investors informed of the status and development of the Company as and when appropriate, as well as publish quarterly updates on its development pursuant to Rule 13.24A of the Listing Rules.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By order of the Board
Raffles Interior Limited
Chua Boon Par
Chairman, chief executive officer and executive director

Hong Kong, 30 June 2021

As at the date of this announcement, the Board comprises three executive directors, namely Mr. Chua Boon Par, Mr. Ding Hing Hui and Mr. Leong Wai Kit; and three independent non-executive directors, namely Mr. Chia Kok Seng, Mr. Gay Soon Watt and Mr. Wong Heung Ming Henry.