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, 26 May 2021, 30 June 2021 and 10 September 2021, in relation to (i) the possible delay in publication of (1) the Group's audited annual results announcement for the year ended 31 December 2020 and (2) the Group's 2021 interim results announcement; (ii) the suspension of trading of its shares; (iii) the resumption guidance; (iv) the change of auditor; (v) the appointments of independent advisor and internal control advisor; (vi) the quarterly update of suspension of trading; and (vii) profit warning for the Group's 2021 Interim Period (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 as set forth in the announcements of the Company dated 23 April 2021 and 30 June 2021.

UPDATES ON THE INVESTIGATION AND THE 2020 ANNUAL AND 2021 INTERIM AUDITS

As at the date of this announcement, Wellington Legal has conducted all interviews with the Company and the service providers involved in the Issues. The Company anticipates that the Investigation should be able to be completed in October 2021.

Meanwhile, the 2020 annual and 2021 interim audits are still ongoing. Moore Stephens is still in the course of carrying out its audit process, and has to review the results of the Investigation and the internal control review once completed. The Company will endeavour to assist Moore Stephens to complete their audit work and anticipates to publish the 2020 Annual Results of the Group on or before the end of November 2021 and the 2021 interim results on or before the end of December 2021.

Moreover, Baker Tilly has carried out the internal control review to assess and ascertain the internal control procedures of the Company. Further announcements regarding the expected dates of completion of the internal control review and publication of the internal control report shall be made as and when appropriate.

The Company has been working and will continue to work closely with all relevant parties towards the resumption of trading in its shares and will keep the Company's shareholders and potential investors informed of the progress on the fulfillment of the Resumption Guidance as and when appropriate.

UPDATE ON BUSINESS OPERATIONS

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.

As previously disclosed in the profit warning announcement dated 10 September 2021, the Group anticipates to record a net loss after tax of not more than S$3.5 million for the six months ended 30 June 2021. Such expected loss was primarily due to (i) the reduction in government grants to the construction field in Singapore; and (ii) the increase in cost of sales when additional costs have been incurred to engage more supplied labour and subcontractors to complete the construction projects within the new stipulated timeline. Notwithstanding the suspension of trading and the profit warning disclosed above, the Company is carrying on its business operations as usual. The Group will continue to closely monitor its financial position and business operations and make further announcements as and when appropriate.

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 September 2021

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