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Jiayuan Services Holdings Limited
佳源服務控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1153)

**FULFILLMENT OF RESUMPTION GUIDANCE
AND
RESUMPTION OF TRADING**

This announcement is made by Jiayuan Services Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 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 (as defined under the Listing Rules) 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 (1) dated 24 March 2023 in relation to the delay in publication of the 2022 Annual Results and delay in dispatch of 2022 Annual Report and suspension of trading in the shares of the Company (the “**Shares**”) on the Stock Exchange; (2) dated 28 April 2023, 19 May 2023, 23 June 2023, 14 July 2023, 27 July 2023, 30 August 2023 and 31 October 2023, respectively, in relation to the update on publication of the 2022 Annual Results and dispatch of the 2022 Annual Report and the date of board meeting; (3) dated 30 June 2023 and 22 February 2024, respectively, in relation to the Stock Exchange’s guidance and additional guidance to the Company for the resumption of trading in the Shares and the quarterly update on the progress of resumption of trading; (4) dated 12 January 2024, 28 March 2024, 28 June 2024, 2 September 2024 and 2 October 2024, respectively, in relation to, among others, the quarterly update on suspension of trading; (5) dated 17 May 2024 in relation to further additional resumption guidance; (6) dated 10 September 2024 in relation to the change of auditors of the Company; (7) dated 25 September 2024 (the “**Key Findings Announcement**”) in relation to the key findings of the independent investigation and the internal control review; (8) dated 30 September 2024 in relation to the provision of financial assistance (the “**Financial Assistance Announcement**”); (9) dated 1 November 2024 in relation to the extension of remedial period; (10) dated 13 November 2024 in relation to the provision of unauthorised guarantees to the then ultimate controlling shareholder (the “**Unauthorised Guarantee Announcement**”); (11) dated 4 December 2024 in relation to the 2022 Annual Results, 2023 Interim Results, 2023 Annual Results and the 2024 Interim Results (the “**Results Announcements**”); and (12) dated 10 December 2024 (the “**Appointment Announcement**”) in relation to the appointment of directors of the Company (the “**Director(s)**”) and the change of company secretary (collectively, the “**Announcements**”). Unless otherwise indicated, capitalised terms used herein shall have the same meanings as those defined in the Announcements and the Results Announcements.

BACKGROUND OF SUSPENSION OF TRADING IN THE SHARES

Suspension of trading

As disclosed in the Announcements, on 24 March 2023, the Company announced that the Company would not be able to publish the announcement on the 2022 Annual Results on or before 31 March 2023 and dispatch the 2022 Annual Report on or before 30 April 2023 in accordance with Rules 13.49(1), 13.46(2)(a) and 13.49(2) of the Listing Rules.

As such, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 3 April 2023 and remained suspended as at the date of this announcement.

Resumption Guidance

On 28 June 2023, the Company received a letter from the Stock Exchange setting out the resumption guidance (the “**Initial Resumption Guidance**”), namely (i) publish all outstanding financial results required under the Listing Rules and address any audit modifications (“**RG1**”); (ii) demonstrate the Company’s compliance with Rule 13.24 of the Listing Rules; and (iii) announce all material information for the Shareholders and investors to appraise the Company’s position.

On 14 February 2024, the Company received a letter from the Stock Exchange setting out further additional guidance for resumption of trading in the Shares (the “**Additional Resumption Guidance**”), namely (i) conduct an appropriate independent investigation into the Abnormal Transactions, announce the findings and take appropriate remedial actions; and (ii) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules.

On 13 May 2024, the Company received a letter from the Stock Exchange setting out the further additional guidance for resumption of trading in the Shares (the “**Further Additional Resumption Guidance**”, together with the Initial Resumption Guidance and the Additional Resumption Guidance, the “**Resumption Guidance**”), which is to demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group’s management and/or any persons with substantial influence over the Company’s management and operations, which may pose a risk to investors and damage market confidence.

Extension of remedial period

As set out in the announcements of the Company dated 30 June 2023, 22 February 2024 and 17 May 2024, 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 Shares is allowed to resume. Pursuant to 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, and the Company was required to meet the Resumption Guidance by 2 October 2024 (the “**Remedial Period**”).

As disclosed in the announcement of the Company dated 10 September 2024, prior to the resignation of Elite Partners CPA Limited (“**Former Auditor**”), the former auditor of the Company, it has come to the attention of the Company in August 2024 that the Former Auditor is no longer able to undertake audit services for domestic enterprises listed outside the Mainland for a period of 5 years following a regulatory decision from the Ministry of Finance of the People’s Republic of China (the “**PRC**”) (the “**Decision**”).

Taking into account that the Company could not completely rule out the possible effect which the Decision may have on the audit of the 2022 Annual Results and 2023 Annual Results and accordingly, the timing for the Company to fulfill all Resumption Guidance, the Company was of the view that it would be in the best interest of the Company and its Shareholders to appoint a new audit firm as auditors of the Company. As such, following the resignation of the Former Auditor, the Company has appointed RSM Hong Kong (“**RSM**”) to fill the casual vacancy.

Having considered that (1) the Decision was rarely seen and was outside of the Company’s control; (2) the Decision was made less than 2 months prior to the expiration of the Remedial Period which eventually led to the change of auditors which took place less than 1 month prior to the expiration of the Remedial Period; (3) additional time would be required for RSM to complete their audit planning and commence their audit works; and (4) save for RG1, all other Resumption Guidance have been fulfilled, the Company considered it to be an exceptional circumstance which warrant an extension of the Remedial Period.

Hence, on 25 September 2024, the Company submitted an application to the Stock Exchange for an extension of the Remedial Period up to and inclusive of 31 December 2024 for the Company to fulfil the conditions set out in the Resumption Guidance, particularly, to complete the audit in respect of the 2022 Annual Results and the 2023 Annual Results.

As stated in the announcement of the Company dated 1 November 2024, on even date, the Company received a letter from the Stock Exchange stating that after considering the Company’s case, the Listing Committee of the Stock Exchange decided to extend the Remedial Period to 31 December 2024.

FULFILLMENT OF RESUMPTION GUIDANCE

The Company is pleased to inform the Shareholders and potential investors that, as at the date of this announcement, all the Resumption Guidance have been fulfilled, details of which are set out below:

Resumption Guidance	Fulfillment status
1. Publish all outstanding financial results required under the Listing Rules and address any audit modifications	The Company had announced the 2022 Annual Results, the 2023 Interim Results, the 2023 Annual Results and the 2024 Interim Results by way of the results announcements all dated 4 December 2024, and had thereby published all outstanding financial results required under the Listing Rules. As at the date of this announcement, there is no outstanding unpublished financial results of the Company.

2022 Annual Results

As disclosed in the annual results announcement of the Company for the 2022 Annual Results, the auditors of the Company, RSM expressed (i) a disclaimer of opinion on the Group's consolidated financial performance and consolidated cash flows for the year ended 31 December 2022 ("**FY2022**"), as RSM was unable to obtain sufficient appropriate audit evidence to ascertain the business rationale, commercial substance, counterparties and disclosure of the Abnormal Transactions; the completeness, accuracy and validity of the underlying documents of the Abnormal Transactions and the classification and presentation of the loss on the Abnormal Transactions for the year ended 31 December 2022 ("**Disclaimer Opinion**"); and (ii) material uncertainty related to going concern. Please refer to the 2022 Annual Results for further details.

2023 Annual Results

As disclosed in the annual results announcement of the Company for 2023 Annual Results, RSM expressed (i) a qualified opinion on the comparative figures presented in the Group's consolidated financial statements for the year ended 31 December 2023 (“FY2023”) because of the possible effects of the Disclaimer Opinion on the comparability of the current year's figures and the comparative figures (“**Qualified Opinion**”); and (ii) material uncertainty related to going concern. Please refer to the 2023 Annual Results for further details.

During the financial year ended 31 December 2022, Zhejiang Heyuan (an indirect wholly-owned subsidiary of the Company) as the pledgor and Mr. Zang Ping (“**Mr. Zang**”) (a PRC individual who is an Independent Third Party) as the pledgee have entered into the share pledge agreement, pursuant to which Zhejiang Heyuan has agreed to pledge its equity interest in Zhejiang Zhixiang Dacheng (an indirect wholly-owned subsidiary of the Company) and all underlying interest thereof (the “**unauthorised Pledged Shares**”) to secure the repayment obligation of Mr. Shum as borrower in respect of the loan with a principal amount of RMB80,000,000 (the “**Loan**”) made available by Mr. Zang to Mr. Shum pursuant to a loan agreement date 30 March 2022 entered into between (1) Mr. Zang as the lender; (2) Mr. Shum as the borrower; and (3) Jiayuan Chuangsheng (a company established in the PRC which is ultimately and beneficially wholly-owned by Mr. Shum) as the guarantor in respect of the Loan. Please refer to the Financial Assistance Announcement for further details.

Also, as disclosed in the Unauthorised Guarantee Announcement, each of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng entered into the guarantee agreements dated 27 July 2023 with Shanghai Jinyuan and Shanghai Zhijin (both are independent third parties), respectively, pursuant to which, among others, each of Zhejiang Heyuan and Zhejiang Zhixiang Dacheng has agreed to provide joint liability guarantees for the payment obligations of Chaohu Xutong (a company indirectly owned by Mr. Shum) under the equity transfer agreement dated 27 July 2023 in relation to, among others, the transfer of the entire equity interest in Hefei Hongguo (an independent third party) to Chaohu Xutong at the consideration of RMB123 million. Please refer to the Unauthorised Guarantee Announcement for further details.

During the audit of the consolidated financial statements of the Group for FY2022 and FY2023, apart from reviewing the Report of the Independent Investigation and the results of the Internal Control Review, RSM did not solely rely on the above results when conducting audit work, and has performed the following additional audit procedures in light of the Abnormal Transactions, the unauthorised Pledged Shares and the Unauthorised Guarantee:

Abnormal Transactions

- (a) collaborated with the auditors' investigative experts to evaluate and review the completeness of the Independent Investigation's scope and methodology;
- (b) replicated key investigation procedures previously conducted by the Independent Investigation Agency, in particular:
 - (i) sent out independent written audit confirmations and questionnaires to the main entities; (ii) obtained bank confirmation independently from the involved banks; (iii) cross-checked the fund flows against ledgers, bank statements and bank slips to evaluate whether transactions were properly authorised; and (iv) conducted comprehensive background investigations on the parties involved in the transactions;
- (c) assessed the recoverability of net outflows and the potential impact on the Group's consolidated financial statements;
- (d) evaluated the view of the then Audit Committee and the Previous Board, along with the remedial actions taken; and
- (e) evaluated the accounting treatments proposed by the Company on the Abnormal Transactions.

Unauthorised Pledged Shares

- (a) reviewed the documents to understand each aspect of the transactions, including relevant agreements and legal letters;
- (b) conducted comprehensive background investigations on the parties involved in the transactions;
- (c) performed land searches and obtained third party site visit report on the property pledged by other parties;
- (d) reviewed legal advice regarding the potential outcomes of the case, specifically on the order of collateral disposal and possible remedial action by the Company;
- (e) evaluated the appropriateness of key judgments made by management regarding the going concern assumption arising from the potential effects of unauthorised Pledged Shares;
- (f) compared the legal advice with the latest case developments; and

- (g) evaluated the assessment on loss of unauthorised Pledged Shares, in particular: (i) reviewed the assumptions and inputs used by independent third-party valuers; (ii) checked, on a sample basis, the relevance of the net realised value on the pledged properties adopted in the valuation against actual auction or sale prices previously recorded; and (iii) with assistance from the auditor's expert, evaluated and reviewed the overall methodology and calculation of the provision.

Unauthorised Guarantee

- (a) engaged with management to understand their awareness and response to the unauthorised activities;
- (b) reviewed documents related to the Unauthorised Guarantee, including but not limited to, ordinary payment agreements, equity transfer contracts, guarantee contracts, arbitration documents, and court enforcement orders;
- (c) reviewed the advice provided by the PRC legal advisers regarding: (i) the implications of the Settlement Agreement; (ii) the enforceable right of the Settlement Agreement against the Group, given it was entered without proper authorisation; and (iii) the rights of the Group under the Civil Code of the PRC;
- (d) assessed the loss allowance as of the year-end date by calculating the total financial exposure from the Unauthorised Guarantee, including the principal amount, arbitration fees, and any additional penalties or fees;
- (e) evaluated the adequacy of the loss on Unauthorised Guarantee recorded by the Group;
- (f) reviewed the impact of frozen bank accounts subsequently after year ended and enforcement actions on the liquidity and ongoing operations of the involved subsidiaries on a going concern basis; and
- (g) conducted comprehensive searches using public search engines and public court order database to identify any publicly reported disputes, allegations, or legal cases involving the Group, its subsidiaries, or its executives.

To ensure the completeness and accuracy of liabilities, pledges, guarantees, and commitments, RSM has also designed and performed the follows procedures:

- (a) obtained a comprehensive list of ongoing and potential litigation cases from the Group's internal legal team, assessed the nature, status, and potential financial impact of each case, and evaluated their implications on the consolidated financial statements;
- (b) conducted up-to-date legal searches to identify any unrecorded and undisclosed lawsuits, claims, or obligations and assessed if the identified event is related to the reporting period;
- (c) sent confirmation letters to the company's legal counsels to identify and verify pending legal matters and any undisclosed liabilities during or subsequent to the reporting period;
- (d) examined the nature of significant cash outflows and expenses in the subsequent period to identify any unrecorded liabilities;
- (e) traced significant cash outflows and expenses in the post-reporting period and review the supporting documents (e.g., contracts, invoices) to ensure proper recording in the correct reporting period;
- (f) reviewed the register of restricted bank balances and evaluated the nature of frozen deposits. Additionally, sent bank confirmation to ensure the completeness of restricted bank balances; and
- (g) obtained relevant ownership certificates and performed independent searches over the assets of the Group and equity of the group entities to confirm ownership and ensure no pledges or mortgages were undisclosed;
- (h) obtained the Company's stamping record and selected samples to ascertain if the contracts listed were properly authorised and recorded in the Group's accounts;
- (i) selected samples of contracts from the Group's stamping record, especially those with unclear descriptions, and reviewed their terms and business rationale to ascertain consistency with the Group's operations; and
- (j) cross-checked the contracts received during its course of audit against the Group's stamping record.

Having considered the above, in particular, the Company has published all outstanding financial results and RSM has confirmed that in view of the Qualified Opinion in FY2023, there will be no financial impact on the financials (including comparative figures) and the audit report will not be modified in such respect for the consolidated financial statements for year ending 31 December 2024, the then Audit Committee is of the view, and the Audit Committee concurs, that the all of the audit modifications and issues relating to the Abnormal Transactions, the unauthorised Pledged Shares and the Unauthorised Guarantee as mentioned have been addressed, and the Company is of the view that Resumption Guidance 1 has been fulfilled.

2. Demonstrate the Company's compliance with Rule 13.24 of the Listing Rules

The Group is principally engaged in providing property management services in the PRC.

As a leading comprehensive property management service provider in Zhejiang province in the PRC, the Company has deeply rooted in the regions of the Yangtze River Delta through its years of operation since 2004. Together with the provision of high quality services, the Company has been well recognised in the market and amongst its customers. While the Company's business model is relatively straightforward and not largely different from the other property management service providers in the PRC (i.e. the Company generates the majority of revenue from the provision of property management service in the PRC based on the contracted gross floor area of its property management projects), the Company's professional team, customer-centered high-quality services, and proactive business spirit have equipped the Company with various competitive strengths which have enabled it to build up a proven track record in achieving consistent growth. The Company has actively taken steps to strategically broaden and diversify its revenue base as well as its geographical coverage. As part of its business plan, the Company has also adopted numerous strategies to promote its business growth, and intends to concentrate and focus on growing and developing the property management business in the foreseeable future.

For FY2022 and FY2023, the Group recorded (i) audited revenue of approximately RMB944,793,000 and approximately RMB868,211,000, respectively; (ii) audited net loss of approximately RMB660,551,000 and approximately RMB77,394,000, respectively; and (iii) maintained audited total assets of approximately RMB601,916,000 and RMB626,814,000 as at 31 December 2022 and 31 December 2023, respectively. For further details of the Group's business performance for the years ended 31 December 2022 and 2023, please refer to the 2022 Annual Results and 2023 Annual Results.

For the six months ended 30 June 2024, the Group's unaudited revenue was approximately RMB434,364,000, the unaudited net profit of the Group amounted to approximately 65,988,000, and the total assets of the Group amounted to approximately RMB648,341,000 as at 30 June. For further details of the Group's business performance for the six months ended 30 June 2024, please refer to the 2024 Interim Results.

Notwithstanding that the Group recorded audited net loss of approximately RMB660,551,000 and approximately RMB 77,394,000 and audited net liabilities of approximately RMB34,119,000 and approximately RMB111,801,000 for FY2022 and FY2023, respectively, if excluding the one-off losses in relation to the Abnormal Transactions and the unauthorised Pledged Shares for FY2022, and the unauthorised Pledged Shares and the Unauthorised Guarantee for FY2023, the Group would have recorded unaudited pro forma net profit of approximately RMB21 million and unaudited pro forma net profit of approximately RMB57 million for FY2022 and FY2023, respectively.

In addition, the audited net loss for FY2023 was primary attributable to the one-off losses in relation to the unauthorised Pledged Shares and the Unauthorised Guarantee in the amount of RMB135 million, while no such impairments were made during the six months ended 30 June 2024. The Group has also recovered into profit position in the six months ended 30 June 2024. During the period from 1 January 2024 to 30 June 2024, the Group has secured no less than 15 service contracts with corporate customers which involves a total contract sum of approximately RMB58 million.

Furthermore, despite the writing off of the balances of cash and cash equivalents, the other assets of the Company as at 31 December 2022 and 31 December 2023 have largely remained sufficient, in particular (i) the Group had a positive net cash generated from operating activities; and (ii) the Group had a net asset position (excluding the one-off losses in relation to the Abnormal Transactions, the unauthorised Pledged Shares and the Unauthorised Guarantee for each of FY2022, FY2023 and the interim period for the six months ended 30 June 2024). Having considered that the principal business of the Group, namely, the provision of property management services in the PRC is an asset-light business, the Company is of the view that such level of assets commensurate with the nature and size of its business and is of the view that a sufficient level of assets has been maintained. While the Group recorded net liabilities of approximately RMB46,836,000 as at six months ended 30 June 2024, having considered that (i) the unconditional financial support from Valuable Capital Limited for a period of not less than twelve months from the date of the approval of the 2022 Annual Results and 2023 Annual Results; (ii) the contract liabilities of approximately RMB74 million which will be recognised as revenue in the subsequent period/year; and (iii) the existing banking facilities available for the Group, the Board is confident and considers that it has sufficient level of assets to support its operation that generate sufficient revenue and profits to warrant a continued listing.

In respect of the Unauthorised Guarantee, according to the PRC legal advisers of the Company, in the event that all payment obligations are assumed by Zhejiang Heyuan and Zhejiang Zhixiang Dacheng in accordance with the Settlement Agreement, Zhejiang Heyuan and Zhejiang Zhixiang Dacheng may (i) recover and claim the entire amount from Chaohu Xutong; and (ii) recover and claim Jiayuan Chuangsheng for the excess amount that Zhejiang Heyuan and Zhejiang Zhixiang Dacheng have assumed as under the Civil Code of the PRC, all guarantors would bear joint liabilities in equal proportion (namely one-third of the guaranteed amount) unless otherwise determined.

The Board is of the view that, notwithstanding Zhejiang Heyuan and Zhejiang Zhixiang Dacheng, together with their subsidiaries contributed all of the total revenue of the Group for the year ended 31 December 2023 and are the major subsidiaries of the Group, (i) the validity of the Settlement Agreement is uncertain, given that the entering into of the Settlement Agreement was not approved by the Previous Board and the Shareholders and is of material procedural irregularity; (ii) although the Enforcement Orders ruled that the Bank Accounts of up to approximately RMB124 million be frozen, as at the date of this announcement and based on the records of the Company, the actual total deposits frozen amounted to approximately RMB900,000; (iii) the Group have sufficient source of financial resources to settle the possible negative financial impact caused by the Arbitration Mediation Statement and the Enforcement Orders, including but not limited to the existing and additional banking facilities available for the Group etc., the potential financial impact of such incidents on the Group is therefore minimal. In light of the above, the Company is of the view that the Arbitration Mediation Statement and the Enforcement Orders do not affect the normal business and operations of Zhejiang Heyuan, Zhejiang Zhixiang Dacheng and the Group.

Ever since the suspension of trading in the Company's shares on 3 April 2023 and up to the date of this announcement, the business operations of the Group have continued as usual in all material respects, while the Company has all along maintained a sufficient level of operation and assets of sufficient value and a stable level of profitability in compliance with Rule 13.24 of the Listing Rules.

As such, the Company considers that it has fulfilled the relevant Resumption Guidance.

3. Announce all material information for the Shareholders and investors to appraise the Company's position
- Since the suspension of trading in the Company's shares, the Company has timely disclosed material information to keep its shareholders and potential investors informed by way of announcements.

As such, the Company considers that the relevant Resumption Guidance has been fulfilled. The Company will continue to make further announcement(s) from time to time as and when appropriate, so as to keep the Shareholders and the market informed of the latest development and material information of the Company and/or the Group.

4. Conduct an appropriate independent investigation into the Abnormal Transactions, announce the findings and take appropriate remedial actions
- As disclosed in the Key Findings Announcement, during the preparation of the 2022 Annual Results, the Company discovered that there have been a number of abnormal payments and receipts recorded between the Group and certain entities (the “**Abnormal Transactions**”) that required further investigation, and accordingly, the Independent Investigation Agency has been appointed to conduct independent investigation into the Abnormal Transactions.

The Independent Investigation Agency has completed its independent investigation and issued the independent forensic investigation report (i.e. the Report) in respect of its independent investigation into the Abnormal Transactions on 19 September 2024. Further, the Company has duly announced the Independent Investigation Agency’s key findings and the remedial actions taken by the Group in the Key Findings Announcement. Please refer to the Key Findings Announcement for further details.

The impact of the Abnormal Transactions on the Company’s financial position had been reflected in the audited consolidated financial statements of the Company for FY2023, whereby the Company recognised a loss on the Abnormal Transactions of RMB643,819,000 to fully write down the balances.

The then Audit Committee and the Board (consisting of Mr. Pang Bo, Mr. Bao Guojun, Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin) (the “**Previous Board**”) have reviewed and considered the Report. Subject to the various limitations which the Independent Investigation Agency has encountered or observed as reported in the Report, the then Audit Committee is of the view, and the Previous Board concurred, that the Independent Investigation Agency had conducted appropriate and comprehensive procedures in respect of the Independent Investigation, the scope of the Independent Investigation is adequate, and the contents and findings of the Report are reasonable and acceptable.

The Previous Board is of the view that the issues identified in the Report do not affect the daily business operation of the Group and the Group’s business has continued to operate as usual.

As such, the Company considers that the relevant Resumption Guidance has been fulfilled.

5. Conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules
- As disclosed in the Key Findings Announcement, the Internal Control Consultant has completed the Internal Control Review and issued a report on 19 September 2024 on its findings on the material weaknesses in the internal control system of the Group, its rectification recommendations to the management and follow-up review on the remediated internal control measures implemented by the Group. Please refer to the Key Findings Announcement for further details.

Having considered the results of the Internal Control Review, the then Audit Committee is of the view that the remedial measures implemented by the Company and the Group are sufficient and adequate to address all the major issues in the internal control systems and procedures of the Company and the Group as identified by the Internal Control Consultant, and the Company and the Group's enhanced internal control systems are sufficient to meet the obligations of the Company under the Listing Rules and to safeguard its and its Shareholders' interest.

In addition, the then Audit Committee is of the view that there was internal control deficiency at the material time of the provision of the Unauthorised Guarantee and the entering into of the Settlement Agreement, however, as the Company has enhanced its internal control systems since January 2024, and completed the enhancement in April 2024 and the Group's enhanced internal control systems are sufficient to meet the obligations of the Company under the Listing Rules and to safeguard its and its Shareholders' interest. The then Audit Committee considers, and the Audit Committee concurs, that the Group has in place adequate internal controls and procedures to meet its obligations under the Listing Rules.

The Company also intends to engage an internal control consultant to conduct follow up review of the internal control systems and procedures of the Company and the Group on an annual basis in order to verify and ensure that the Company and the Group have continued to effectively implement the internal control systems and procedures, and to make improvements on an ongoing basis.

As such, the Company considers that the relevant Resumption Guidance has been fulfilled.

6. Demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence
- As set out in the announcements of the Company dated 26 July 2024 and 12 August 2024, respectively, each of Mr. Zhu Hongge and Mr. Huang Fuqing has resigned as executive Director and non-executive Director, respectively, and both have ceased to hold any position in the Group.
- Further, as mentioned in the Key Findings Announcement, based on the findings of the Report, the Independent Investigation Agency is of the view that save for Mr. Zhu Hongge and Mr. Huang Fuqing, none of the Directors (i.e. Mr. Pang Bo, Mr. Bao Guojun, Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin, the "**Existing Directors**") were involved in, or potentially involved in, the Abnormal Transactions and the Overriding Arrangements at the material time and there is no evidence showing concerns on the integrity of the Existing Directors. Based on the findings of the Independent Investigation, the then Audit Committee and the Previous Board are of the view that the deficiencies found in the Group's corporate governance and internal control system were mainly caused by the unintentional bypassing of the then corporate governance and internal controls, in particular over former management of certain subsidiaries of the Group, and agreed that there is evidence showing concerns on the integrity of (i) Mr. Zhu Hongge ("**Mr. Zhu**"), the former chairman of the Board, former chief executive officer of the Company and former executive Director (who resigned on 26 July 2024) and (ii) Mr. Huang Fuqing ("**Mr. Huang**"), the former non-executive Director (who resigned on 12 August 2024). Apart from Mr. Zhu and Mr. Huang, there is no concern on the integrity of the Existing Directors or senior management of the Group.

In respect of Mr. Bao Guojun (“**Mr. Bao**”), the executive Director, the then Audit Committee is of the view that although he joined the Group since 2016, he has been primarily responsible for the businesses of Hunan Jiayuan Huaguan Property Services Company Limited* (湖南佳源華冠物業服務有限公司), an indirect non-wholly owned subsidiary of the Company, and has not been involved in positions relating to fund management. In addition, according to the Report, he has no connection with the external companies involved and there are no evidence indicating that he was involved in the Abnormal Transactions or the Overriding Arrangements. Hence, the then Audit Committee agreed with the Report that there is no issue concerning the integrity of Mr. Bao. However, as an executive Director, Mr. Bao should have a comprehensive understanding of the Group’s businesses and financial performance, and shall actively understand the development of the Group and report to the Board, yet the fact that he was unaware of the Abnormal Transactions and the Overriding Arrangements, as well as his insensitivity of the fund flow of the Group, have indicated that there are shortcomings concerning his competence as the Director.

In respect of Mr. Pang Bo (“**Mr. Pang**”), the executive Director, the then Audit Committee is of the view that although Mr. Pang was part of the management of China Jiayuan previously, as he was then responsible for the investment level in the Capital Operation and Investment Development Department and did not involve in funds deployment, the then Audit Committee concurs with the Report that there are no evidence indicating that he was involved in the Abnormal Transactions or the Overriding Arrangements, and there are no evidence suggesting that Mr. Pang has knowledge of the Overriding Arrangements before November 2023. The then Audit Committee further agrees with the Report that there are no issue concerning the integrity of Mr. Pang. However, as an executive Director, Mr. Pang ought to have a comprehensive understanding of the Group’s businesses and financial performance, and shall actively understand the development of the Group and report to the Board, yet the fact that he was unaware of the Abnormal Transactions and the Overriding Arrangements, as well as his insensitivity of the fund flow of the Group, have indicated that there are shortcomings concerning his competence as the Director.

In addition, as disclosed in the joint announcement dated 27 October 2024 and the composite offer and response document dated 10 December 2024 (the “**Composite Document**”) of the Company, Linkto Tech Limited and Valuable Capital Limited (the “**Joint Offerors**”), all the Shares then held by the former controlling Shareholder, Chuangyuan Holdings Limited (“**Chuangyuan**”) had been disposed of pursuant to a sale and purchase agreement dated 5 September 2024, and thus, there is no concern on the possible influence of the Board by the then controlling Shareholders, namely Chuangyuan and Mr. Shum Tin Ching.

Besides, as disclosed in the Composite Document, all the Existing Directors would resign with effect from (1) the earliest time permitted under the Listing Rules and Rule 7 of The Hong Kong Code on Takeovers and Mergers; or (2) the publication of all Results Announcements, whichever is later. The Joint Offerors would nominate new Directors to the Board immediately after the publication of the Composite Document and before the resumption of trading in the Shares in compliance with Rule 26.4 of the Takeovers Code and/or the Listing Rules. As disclosed in the Appointment Announcement, the new Directors have been appointed with effect from 10 December 2024, and Mr. Pang Bo has ceased to be the company secretary of the Company and the authorised representative under Rule 3.05 of the Listing Rules with effect from 10 December 2024. The Existing Directors also confirm that save for their respective positions as the Company's directors, they have ceased to hold any position in the Group. Please refer to the Appointment Announcement for further details.

In view of the above, the Company considers that there is no, and there will not be, reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence.

As such, the Company considers that the relevant Resumption Guidance has been fulfilled.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange was suspended with effect from 9:00 a.m. on 3 April 2023. As all the Resumption Guidance have been fulfilled, the Company has made an application to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Monday, 16 December 2024 on the Stock Exchange.

Shareholders and potential investors should exercise caution when dealing in the Shares.

By order of the Board
Jiayuan Services Holdings Limited
Li Meng
Chairman and Executive Director

Hong Kong, 13 December 2024

As at the date of this announcement, the Board comprises ten Directors, of which Mr. Li Meng (Chairman), Mr. Xin Bing, Mr. Pang Bo and Mr. Bao Guojun are the executive Directors, and Mr. Zhang Chen, Ms. Cui Yan, Mr. Cai Sitao, Ms. Liang Yunxu, Mr. Wang Huimin and Mr. Wong Kwok Yin are the independent non-executive Directors.