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NETJOY HOLDINGS LIMITED

云想科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2131)

(1) SUPPLEMENTAL ANNOUNCEMENT ON FIRST QUARTERLY UPDATE ON STATUS OF RESUMPTION; AND (2) CONTINUED SUSPENSION OF TRADING

This announcement is made by Netjoy Holdings Limited (the “**Company**”, together with its subsidiaries and consolidated affiliated entities, collectively referred to as the “**Group**”) pursuant to Rule 13.09 and Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) 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: (i) the announcement of the Company dated 31 March 2025 in relation to, inter alia, inside information in relation to the delay in publication of the 2024 Annual Results, possible delay in despatch of 2024 Annual Report, and suspension of trading; (ii) the announcement of the Company dated 30 April 2025 in relation to, inter alia, inside information in relation to supplemental announcement to the delay in publication of 2024 Annual Results; (iii) the announcement of the Company dated 15 July 2025 in relation to, inter alia, the resumption guidance, first quarterly update on status of resumption and continued suspension of trading (the foregoing (i) to (iii) shall be collectively referred to as the “**Announcements**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as used in the Announcements.

SUPPLEMENTAL INFORMATION ON THE BACKGROUND OF INVESTIGATION

The Company wishes to provide supplemental information on the background of Investigation. The Company commenced its business relationship with a downstream customer (the “**Customer**”) in November 2022, pursuant to which the Company agreed to supply the Customer certain products (including communication devices and 3C electronic products) sourced from two suppliers (“**Supplier A and Supplier B**”). Supplier A and Supplier B are suppliers designated by the Customer.

During first three quarters of 2024, the Company made a series of Prepayments totaling RMB157 million and RMB340 million to Supplier A and Supplier B, respectively, for procurement of products. However, Supplier A and Supplier B only allegedly supplied goods amounting to RMB30 million and RMB135 million, respectively, and around RMB161 million of these Prepayments were refunded to the Group. At that time, the business department reported that the domestic chip shortage had disrupted normal supply deliveries from mobile phone manufacturers, necessitating the refund of substantial prepayment amounts. Nevertheless, these abnormal refunds raised alerts within the relevant departments of the Company, leading to the decision to initiate on-site investigations and commence recovery actions against the suppliers. During this process, the suppliers' repayments fell significantly short of the amounts committed in their signed repayment agreement.

As at 31 December 2024, the outstanding Prepayment balance with Supplier A and Supplier B amounted to RMB127 million and RMB43.4 million, respectively.

In the course of the Auditor's audit of the 2024 Annual Results, the following issues and concerns were raised by the Auditor (the "**Audit Issues**") by the end of March 2025:

- (a) **Concerns on qualification and business scale of Supplier A.** Supplier A and its controlling shareholder do not appear to have active engagement in 3C electronic products business. Supplier A's recent action to reduce its registered share capital might also indicate abnormality in its operation;
- (b) **Concerns on background of Supplier A's shareholders.** Based on public records, Supplier A's ultimate controlling shareholder did not appear to have satisfactory financial performance and position as there were multiple records of enforcement actions and criminal investigation against it;
- (c) **Concerns on commercial substance or business rationale of the transactions relating to the payments.** It was noted that substantial amounts of prepayments were made to Supplier A and Supplier B but only small amounts of products were delivered to the Company. RMB127 million and RMB43.4 million of the Prepayments remained outstanding. Further, the identity of the person who allegedly picked up the products from Supplier A's and Supplier B's warehouse was unknown as the delivery records did not contain any company chop;
- (d) **Concerns on Supplier A's willingness to cooperate with necessary audit procedures.** There was limited communication between the Company and Supplier A and the Company had difficulty contacting the same. Supplier A did not respond to the auditor's requests for returning audit confirmations, providing financial information and accepting interview invitation; and
- (e) **Concerns on recoverability of the outstanding prepayments.** The recoverability of the outstanding prepayments appears to be uncertain given Supplier A's questionable ability to repay and the ability of Supplier B and the Customer (being a guarantor) to implement the repayment plan and refund the prepayments.

In respect of the Audit Issues, the Auditor was of the view that the amount of Prepayment to be unusual and therefore recommended the Audit Committee to engage an independent investigation consultant to ascertain whether the Audit Issues were caused by executive corruption or internal control failures, as well as to determine the appropriate follow-up actions.

As at the date of this announcement, the Investigation is nearing completion, the Auditor will perform necessary procedures based on the results of the investigation. Meanwhile, the Company remains committed to actively pursuing the recovery of the outstanding Prepayment. The Company will publish further announcement(s) to inform the Shareholders of the key findings of the Investigation as and when appropriate.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2025, and will remain suspended until the Company meets all Resumption Guidance, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange's satisfaction.

Shareholders and potential investors should exercise caution when investing or dealing in the securities of the Company.

By order of the Board
Netjoy Holdings Limited
XU Jiaqing
Chairman of the Board

Shanghai, the PRC, 21 July 2025

As at the date of this announcement, the Board comprises Mr. XU Jiaqing, Mr. WANG Chen and Ms. ZHA Lijun as executive Directors; Mr. DAI Liqun and Mr. WANG Jianshuo as non-executive Directors; and Mr. CHEN Changhua, Dr. RU Liyun and Ms. CUI Wen as independent non-executive Directors.