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S-Enjoy Service Group Co., Limited

新城悅服務集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1755)

**(1) INSIDE INFORMATION
KEY FINDINGS OF THE INDEPENDENT
FORENSIC INVESTIGATION;
(2) REMOVAL OF AN EXECUTIVE DIRECTOR;
(3) CHANGE OF MEMBERS OF THE ENVIRONMENTAL, SOCIAL
AND GOVERNANCE COMMITTEE OF THE COMPANY;
AND
(4) CONTINUED SUSPENSION OF TRADING**

This announcement is made by S-Enjoy Service Group Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Rule 13.09(2) 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 in 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 Company’s announcements dated 31 March 2025, 13 May 2025, 27 May 2025, 23 June 2025, 30 June 2025, 14 July 2025 and 29 August 2025 in relation to, among other things, (i) the delay in publication of the 2024 Annual Results and 2024 Annual Report and the postponement of Board Meeting; (ii) the suspension of trading; (iii) the Related Party Fund Transfers; (iv) the establishment of the Independent Investigation Committee and appointment of independent investigation counsel; (v) the resignation of the auditor of the Company; (vi) the Resumption Guidance; (vii) the quarterly update on resumption progress; (viii) the appointment of the auditor of the Company; and (ix) the delay in publication of the 2025 Interim Results and 2025 Interim Report (collectively, the “**Announcements**”). Unless otherwise defined or the context otherwise requires, capitalised terms in this announcement shall have the same meanings as those defined in the Announcements.

As disclosed in the Announcements, the Board established the Independent Investigation Committee to conduct an investigation into the Related Party Fund Transfers. Subsequently, the Company received the Resumption Guidance, pursuant to which the Company shall, among other things, conduct an appropriate independent forensic investigation into the Related Party Fund Transfers (the “**Independent Forensic Investigation**”), assess their impact on the Company’s business operations and financial position, announce the findings of the investigation and take appropriate remedial actions.

In this connection, Forvis Mazars Forensic Investigation Services Limited (the “**Independent Forensic Accountant**”) has been appointed to conduct the Independent Forensic Investigation.

The Independent Forensic Accountant has submitted a draft forensic investigation report (the “**Investigation Report**”) to the Independent Investigation Committee. The Independent Investigation Committee has reviewed and submitted the Investigation Report, together with its views and recommendations, to the Board for consideration.

The purpose of this announcement is to provide the Shareholders and potential investors of the Company with the key findings of the Independent Forensic Investigation, the relevant observations and recommendations of the Independent Investigation Committee and the views and responses of the Board.

SCOPE OF THE INDEPENDENT FORENSIC INVESTIGATION AND PROCEDURES PERFORMED

The review period of the Independent Forensic Investigation is from 1 January 2023 to 31 March 2025 (the “**Review Period**”). The following procedures were performed by the Independent Forensic Accountant during the course of their work:

- (i) **Data collection, processing and review** — (a) Collected various data, including those from the computers, server email correspondences, and instant messaging records from the individuals identified (including certain directors of the Company (the “**Directors**”), senior management members and employees of the Company) (the “**Custodians**”), bank transaction records previously deleted from the Company’s internal system named System Applications and Products (the “**SAP System**”), bank statements, paper-based approval forms for processing the Related Party Fund Transfers and a list of related parties of the Group (the “**Related Party List**”) during the Review Period; (b) performed forensic imaging of the data stored in the said computers; and (c) after processing the data collected, conducted forensic review of the documents identified using keyword search;
- (ii) **Interview** — Conducted interviews with selected Custodians, other relevant employees of the Group and an individual from Seazen Holdings Co., Ltd.* (新城控股集團股份有限公司) (“**Seazen Holdings**”, a company listed on the Shanghai Stock Exchange, stock code: 601155) involved in the Related Party Fund Transfers to learn about the details of the Related Party Fund Transfers;

- (iii) **User activities analysis** — Based on the data collected, conducted analysis on the behaviours of the Custodians and identified any suspicious and unusual activities;
- (iv) **Related party transaction analysis** — (a) Reviewed the Related Party List, along with the Company’s internal policies, approval procedures and records concerning related-party transactions to understand and confirm the number of its related parties; (b) obtained business registration information of the Company’s related parties from publicly accessible sources; (c) matched information identified during the document review process with the Related Party List to identify any potential undisclosed relationships between the Company and its transaction counterparties; (d) reviewed transaction records against the Company’s bank statements which were (1) downloaded via online banking systems or (2) obtained through onsite visits to the banks; (e) categorized transactions recorded in the bank statements by the transaction amount, and matched the transactions records with the counterparties to identify potential related-party activities; (f) conducted a matching exercise to compare the categorized bank transaction information against the general ledger of the Group for the Review Period to identify any unrecorded transactions, made enquiries with the relevant employees of the Company and obtained supplemental materials for transactions that could not be matched in the exercise; (g) obtained and reviewed the Company’s relevant policies, approval and payment authorization procedures to identify the personnel responsible for approving such fund transfers; and (h) conducted interviews with senior management, staff of the financial department and other employees of the Company to understand the details and approval processes for these fund transfers; and
- (v) **Deleted record data analysis** — (a) Conducted analysis on the transaction records deleted from the SAP System during the Review Period with a monetary amount of RMB10 million or above; (b) obtained bank slips and conducted matching exercises against the bank statements to verify the identities of the counterparties and the nature of the transactions; and (c) investigated the reasons for deletion by reconciling the deleted records with the general ledger of the Group.

SUMMARY OF THE KEY FINDINGS OF THE INDEPENDENT FORENSIC INVESTIGATION

Based on the procedures carried out during the Independent Forensic Investigation and subject to the limitations set out in the section headed “Key Limitations” below, the Independent Forensic Accountant has concluded the following key observations and findings:

(A) The Related Party Fund Transfers

As disclosed in the Announcements, during the audit process for the 2024 Annual Results, the then auditor of the Company, PwC, discovered that the Related Party Fund Transfers were not being recorded in the journal entries and financial statements prepared by the Company, and discovered certain inconsistencies in the bank statements provided by the Company.

In this connection, the Independent Forensic Accountant collected and reviewed the bank transaction records of the Group during the Review Period to identify any discrepancies between the bank transaction records and the transactions recorded in the general ledger of the Group. According to the findings of the Independent Forensic Investigation, discrepancies were found in five bank accounts of the Company’s subsidiaries, involving the Related Party Fund Transfers between such subsidiaries and Shanghai Yuesong Industrial Development Co., Ltd.* (上海悦崧實業發展有限公司) (“**Shanghai Yuesong**”). Shanghai Yuesong is a subsidiary of Seazen Holdings. A summary of the Related Party Fund Transfers identified by the Independent Forensic Accountant is as follows:

Financial year	Total amount transferred to Shanghai Yuesong during the year <i>(RMB)</i>	Total amount received from Shanghai Yuesong during the year <i>(RMB)</i>	Highest outstanding balance of the Related Party Fund Transfers during the year <i>(Note)</i> <i>(RMB)</i>
2023	1,800,000,000	1,800,000,000	700,000,000
2024	5,170,000,000	5,170,000,000	800,000,000

Note: Save for one instance in 2023 in which a Related Party Fund Transfer was repaid back to the Group in the next month after the transfer, all the instances of Related Party Fund Transfers were repaid in the same month as the transfer.

The Related Party Fund Transfers were orchestrated by a managerial staff of Seazen Holdings (the “**Seazen Holdings Staff**”) and Mr. Yang Bo (“**Mr. Yang**”, the then executive Director) with the assistance of several employees of the Group, primarily to resolve the short-term funding needs of Seazen Holdings. Mr. Yang coordinated the Related Party Fund Transfers from the Group and directed the general manager of the Finance Management Centre (the “**FMC General Manager**”) of the Group to carry out these transfers using a custom paper-based approval form, co-signed by both Mr. Yang and the FMC General Manager, with a view of deliberately bypassing the Group’s internal approval procedures implemented through the SAP System. Subsequently, the FMC General Manager instructed the Finance Management Centre staff to delete the bank transfer records of the Related Party Fund Transfers from the SAP System.

(B) Personnel involved in the Related Party Fund Transfers

The Independent Forensic Accountant has identified personnel involved in the Related Party Fund Transfers as follows:

- (i) Personnel directly involved in the Related Party Fund Transfers:
 - (a) the Seazen Holdings Staff, who made requests for the Related Party Fund Transfers;
 - (b) Mr. Yang, who acted on the request for the Related Party Fund Transfers from the Seazen Holdings Staff and directed the FMC General Manager to carry out these transfers using a custom paper-based approval form and signed the paper-based approval forms;
 - (c) the FMC General Manager, who was responsible for the implementation of the Related Party Fund Transfers and instructed the Finance Management Centre staff to delete the transaction records; and
 - (d) four employees of the Group, being the assistant to Mr. Yang and three employees under the Finance Management Centre, who were involved in the execution of the Related Party Fund Transfers and/or deletion of the transaction records from the SAP System;
- (ii) Other individuals who had knowledge of the Related Party Fund Transfers: (a) two former senior management members of the Company who had resigned from the Company as at the date of this announcement; (b) a former director of the Finance Sharing Centre of the Group; and (c) a vice general manager of the Finance Management Centre of the Group. There was evidence suggesting that these individuals had knowledge of the Related Party Fund Transfers. However, the Independent Forensic Investigation found no evidence indicating that they had knowledge of the transfers not having been properly recorded in the general ledger of the Group, or the transaction records for the Related Party Fund Transfers having been deleted. In particular, the vice general manager of the Finance Management Centre of the Group has explained during the Independent Forensic Investigation that she mistakenly believed that the Related Party Fund Transfers were part of the transactions contemplated under the loan framework agreement entered into between the Company and Seazen Holdings on 30 September 2024.

Save for the aforesaid, the Independent Forensic Investigation did not discover any involvement of other Directors or senior management of the Company in the Related Party Fund Transfers. The Independent Forensic Accountant has not discovered

evidence implicating any involvement of Mr. Wang Zhenhua, being the controlling shareholder of the Company, in the Related Party Fund Transfers. According to the findings of the Independent Forensic Investigation, Mr. Wang Zhenhua had already ceased any involvement or participation in the actual management and operation of the Group during the Review Period.

(C) The financial impact of the Related Party Fund Transfers

The Related Party Fund Transfers amounted to a total of RMB1,800 million and RMB5,170 million for the years ended 31 December 2023 and 2024, respectively. With the exception of one instance in 2023, the funds transferred by the Group to Shanghai Yuesong were repaid back to the Group in the same month, and there was no outstanding balance of the Related Party Fund Transfers recorded as at 31 December 2023 and 31 December 2024.

The Group's cash and cash equivalents were primarily made up of cash in banks. Since December 2022, the Group had maintained its cash in banks of more than RMB1,100 million at each quarter end, and the balance of its cash in banks reached RMB2,192 million as at 31 December 2024 based on the management accounts of the Group. For illustrative purposes only, the proportion of the highest outstanding balance of the Related Party Fund Transfers in a given quarter during the Review Period to the bank balance at the end of the corresponding quarter ranged from approximately 29% to 58%. As the Group had maintained a healthy cashflow position during the Review Period, with the current assets being over RMB4,600 million and current liabilities remaining at a stable level of approximately RMB3,000 million, the Group had maintained a healthy financial position with net current assets.

(D) Reasons for the Related Party Fund Transfers

The Related Party Fund Transfers were conducted for the following reasons:

- (i) *Funding needs of Seazen Holdings*: Since 2020, the property development industry has been under adjustment, with property development companies facing particular cash flow pressure in 2023. Due to reasons such as the funding needs to ensure the timely delivery of properties for safekeeping the interests of the property buyers, the tightening of restriction on the capital of project companies, and the time gap between approval of a bank loan and the actual release of the funds, etc., Seazen Holdings had difficulties in allocating its capital resources flexibly, and had to rely on short-term loans to bridge the gap before obtaining new funding. According to the findings of the Independent Forensic Investigation, the funds transferred to Shanghai Yuesong under the Related Party Fund Transfers were primarily used by Seazen Holdings for repayment of its debts which were falling due and payment of construction contract sums to ensure delivery of properties.

- (ii) *The healthy cash flow position of the Company:* Unlike the property development industry which is significantly affected by the tightening of the policies, the Company, which is in the property management industry and operates a light asset business model, is less affected by the economic cycle fluctuation, and was able to maintain stable cash inflow.
- (iii) *Reliance on Seazen Holdings by the Group:* The business operation and revenue of the Group was to a certain extent reliant on Seazen Holdings. For instance, for the period between 2022 and 2024, approximately 60% of the property management revenue of the Group was derived from Seazen Holdings. Further, for the four years ended 31 December 2021, 2022, 2023 and 2024, approximately 37%, 32%, 66% and 41% of the gross floor area of properties being newly handed over to the Group for management was from Seazen Holdings, respectively. As a result, in the event Seazen Holdings was unable to deliver properties due to insufficient capital, it would have a negative impact on the growth of business operation and revenue of the Company. As a result, it was commercially justifiable for the Company to help resolve the short-term funding needs of Seazen Holdings.
- (iv) *Personal motives of the Seazen Holdings Staff and Mr. Yang:* The Seazen Holdings Staff was responsible for financial management and financing of Seazen Holdings. Due to the funding pressure of Seazen Holdings to repay its debts which were about to fall due at the material time and to deliver properties on time, and noting that the Company was in good financial health and the Related Party Fund Transfers were unlikely to have any significant adverse impact on the Company's normal business operation, the Seazen Holdings Staff therefore made funding requests to Mr. Yang to resolve the short-term funding needs of Seazen Holdings. On the other hand, Mr. Yang, being the then executive Director and the chief operating officer of the Company, was tasked with managing the business operation of the Group. As mentioned in paragraph (iii) above, any disruption to the business operation of Seazen Holdings due to shortage of funds could negatively impact the delivery of properties by Seazen Holdings. This would subsequently reduce the number of properties handed over to the Group for management, affecting the income stream of the Group and reflecting negatively on the performance and competence of Mr. Yang. Mr. Yang therefore agreed to the request of the Seazen Holdings Staff for the Related Party Fund Transfers.

(E) Questions raised by PwC

During the audit process for the 2024 Annual Results, PwC noted that the Company had provided them with multiple versions of bank transaction records of the same bank accounts, which were retrieved from the SAP System and internet banking, respectively. During the process of examining the bank statement records provided by the management, PwC discovered that certain transactions in the bank statement records were not continuous, and the Related Party Fund Transfers identified were not accounted for in the relevant bank ledgers of the Group.

Pursuant to the Independent Forensic Investigation, five bank accounts were identified to have discrepancies between the bank transaction records and the transactions recorded in the Group's ledgers. Two of such bank accounts matched with the two bank accounts identified by PwC.

It was noted that the Company subsequently conducted an internal inspection upon PwC reporting its findings to the Board. The results of the internal inspection with respect to the total amount of the Related Party Fund Transfers made in 2023 and 2024 were consistent with the findings of the Independent Forensic Investigation.

(F) Management integrity and credibility

Upon conclusion of the Independent Forensic Investigation, the Independent Forensic Accountant found that, aside from Mr. Yang, and subject to the limitations stated in the Investigation Report, none of the current Directors or senior management members had been involved in the Related Party Fund Transfers, nor did it come across any evidence or any other matters that may reasonably lead to a conclusion that there are legitimate concerns over the integrity of the current Directors and senior management members, aside from Mr. Yang.

KEY LIMITATIONS

During the course of its review, the Independent Forensic Accountant has encountered certain limitations which may prevent them from performing or performing completely the relevant investigation procedures. Key limitations were listed as below:

- (i) The Independent Forensic Accountant was unable to obtain all the requested data for review, for instance, (a) some Custodians had not given consent to the Independent Forensic Accountant for full access to their personal computers which were used for work purpose; (b) some Custodians have replaced their computers during the Review Period due to malfunction, and the computers which were replaced could no longer be obtained; and (c) only server emails and instant messaging records of the Custodians which are recorded in the Group's server could be retrieved. Given that none of the

Custodians had granted the Independent Forensic Accountant access to their personal mobile devices, the emails and instant messaging records on their personal mobile devices cannot be retrieved.

- (ii) While the Independent Forensic Accountant has conducted data extraction from the SAP System, there are inherent limitations in the scope and granularity of the SAP System's deletion log function. Consequently, these infrastructural limitations may have prevented the conclusive verification of whether untraceable data modifications occurred concurrently with the deletions; or the complete consistency between the log and users' operations; or whether the system had completely recorded all types of deletion operations performed by users.
- (iii) Some bank accounts of certain operation units of the Group were closed when such operation units were deregistered. As a result, the Independent Forensic Accountant was unable to obtain the relevant bank transaction records from internet banking or the bank and had to rely on the records kept by the Group.
- (iv) The Independent Forensic Accountant was unable to interview all Custodians that may have been involved in the handling of the Related Party Fund Transfers, as some Custodians had left the Group already and could not be contacted, or were not able to participate in the interviews due to personal reasons.

RECOMMENDATIONS FROM THE INDEPENDENT FORENSIC ACCOUNTANT

In light of the findings of the Independent Forensic Investigation, the Independent Forensic Accountant has identified certain deficiencies in the Group's internal control and has provided certain targeted recommendations:

- (i) **Management of authorization for “delete” and “reverse” functions with respect to the bank transaction records in the SAP System**

The Independent Forensic Accountant noted that multiple personnel with finance functions have been authorized to perform “delete” and “reverse” functions with respect to the bank transaction records in the SAP System, but the Group has not established clear operation guidelines and checks and monitors mechanism for such employees.

It is recommended that the Group revokes the “delete” and “reverse” functions for bank transaction records in the SAP System. Additionally, it is suggested that the Group adopts the “write-off and re-entry” method for adjusting bank transaction records in the SAP system to maintain a complete modification trail. For any erroneous entries or duplicate bank transactions made, the Group should create a corresponding

write-off entry for the bank transaction records, clearly stating the reason for the offset and the original bank transaction records.

(ii) Cease all usage of the paper-based approval forms

The Independent Forensic Accountant noted that apart from the Related Party Fund Transfers, the Group has historically relied on paper-based approval forms for certain urgent requests for fund transfers, instead of going through the proper online approval process through the SAP System. In this connection, the Independent Forensic Accountant has recommended that the Group ceases usage of paper-based approval forms going forward. As confirmed by the Company, the Company has already ceased usage of paper-based approval forms since July 2025. The Group will also amend the relevant management policies, mandating completion of approval procedures implemented through the online SAP System for all fund transfers.

(iii) Establish an approval procedure for setting up user accounts for the SAP System

The Independent Forensic Accountant noted that user accounts for the SAP System had been set up for two non-executive Directors (Mr. Wang Xiaosong and Mr. Lv Xiaoping) and Mr. Wang Zhenhua (the controlling shareholder of the Company) without going through any proper authorization procedures. As confirmed by the Company, the user account for Mr. Wang Zhenhua has already been suspended since May 2025. It is recommended that the user accounts for the two aforesaid non-executive Directors be forthwith suspended. In addition, the Group shall establish a formal information system monitoring mechanism, and designate responsible personnel to regularly review the operation or access logs of the SAP System. The relevant review records shall be properly documented for future reference.

(iv) Improve the comprehensiveness of the scope of review of the Company's risk management and internal control framework

Currently, the Group's audit monitoring department is responsible for regularly reviewing the Group's financial conditions and internal controls. However, the audit monitoring department does not have a work plan in place for the assessment of related risk management and internal control review, and therefore, it is difficult for the Independent Forensic Accountant to determine the comprehensiveness of the assessment scope. It is recommended that the Group's audit monitoring department increase the frequency of risk management and internal control review assessments. Before conducting these assessments, a detailed assessment plan should be established, clearly outlining the scope and content of the assessment, and submitted to the audit committee of the Company (the "Audit Committee") for review. The audit monitoring department should strictly follow the assessment plan for execution of the relevant works. Assessment results should be reported directly to the Audit Committee.

Furthermore, it is suggested that the Group should consider engaging an independent third party to conduct risk management and internal control review regularly, and report the results to the Audit Committee directly.

OBSERVATIONS AND RECOMMENDATIONS OF THE INDEPENDENT INVESTIGATION COMMITTEE

The Independent Investigation Committee has regularly met the Independent Forensic Accountant and the independent investigation counsel, and discussed the progress of the Independent Forensic Investigation, the issues that have arisen in the course of the Independent Forensic Investigation and how such issues are to be resolved.

The Independent Investigation Committee has also discussed the Independent Forensic Investigation with Grant Thornton Hong Kong Limited, the auditor of the Company, and considered its stance on the scope, methodologies, audit issues and findings of the Independent Forensic Investigation.

The Independent Investigation Committee has critically reviewed the Investigation Report (including the scope, methodologies and limitations of work thereof) and considers that (a) the Independent Forensic Investigation has been properly conducted to achieve its objectives; and (b) the Independent Forensic Investigation conducted is adequate to find out the relevant facts, address the issues identified and meet its objectives.

The Independent Investigation Committee has the following observations on the Independent Forensic Investigation:

1. The Independent Investigation Committee agrees with the Independent Forensic Accountant that the Related Party Fund Transfers orchestrated by the initiators (i.e., Mr. Yang and the Seazen Holdings Staff) have reasonable commercial rationale from the perspective of the Company and Seazen Holdings, as well as for their personal benefits. For details, please refer to paragraphs “(A) The Related Party Fund Transfers” and “(D) Reasons for the Related Party Fund Transfers” under the “Summary of the Key Findings of the Independent Forensic Investigation” section in this announcement.
2. The Independent Investigation Committee agrees with the Independent Forensic Accountant that the individuals involved in the orchestration of the Related Party Fund Transfers intentionally adopted an offline, paper-based approval method for two years, from 2023 to 2024, to evade the internal monitoring procedures put in place through the SAP System. This indicates that the Related Party Fund Transfers were not isolated events but recurring in nature. For details, please refer to paragraph “(A) The Related Party Fund Transfers” under the “Summary of the Key Findings of the Independent Forensic Investigation” section in this announcement.

3. With regard to management integrity, based on information provided by interviewees (including the Directors) and documents and information reviewed by the Independent Forensic Accountant during the Independent Forensic Investigation, the Independent Investigation Committee concurs that: (i) there is no existing evidence to suggest that any other Directors (other than Mr. Yang) participated in or were aware of the Related Party Fund Transfers before PwC raised its concerns to the Board; (ii) there is no existing evidence casting doubt on the integrity, capability or character of the Company's current senior management members; and (iii) provided that Mr. Yang does not continue to serve as a Director or a senior management member of the Company, the Company will not have continuing management integrity issues. For details, please refer to paragraph "(F) Management integrity and credibility" under the "Summary of the Key Findings of the Independent Forensic Investigation" section in this announcement.
4. Turning to Mr. Wang Zhenhua (the controlling shareholder of the Company), the Independent Investigation Committee concurs that there was no evidence indicating that Mr. Wang has participated in the operations of the Company during the Review Period, was aware of, or participated in the Related Party Fund Transfers.

The Independent Investigation Committee has made the following recommendations to the Board pursuant to the Independent Forensic Investigation (the "**Recommendations**"):

1. Although all the funds involved in the Related Party Fund Transfers have been fully repaid to the Company without causing any loss to its assets, the circumstances surrounding these transactions clearly contravened the Company's payment approval procedures. In light of these issues, the Company should consult its independent internal control consultant to implement more effective measures to prevent the recurrence of similar incidents. These measures should include: (i) permanently disabling the functions to delete or reverse transaction record entries within the SAP System; (ii) permanently prohibiting offline, paper-based approvals and requiring all transactions to be approved through the SAP System; and (iii) requiring approval from at least two Directors for large-value payments involving related party transactions and/or transactions outside of the ordinary and usual course of business of the Company which exceed specific amounts. The Company should also consider establishing comprehensive approval and payment procedures to which all employees (including senior management members) must strictly adhere. During the Independent Forensic Investigation, the Independent Forensic Accountant also discovered that certain employees had deleted large quantities of documents from the Company's devices. The Company should establish more rigorous internal control policies to manage employees' document deletion activities.

2. The Independent Forensic Investigation revealed that certain employees of the Company lack adequate understanding of the corporate actions undertaken by the Company. This indicates deficiencies in the Company's communication mechanisms between management and staff, potentially resulting in inconsistent interpretations of approval processes. To address this issue, the Company should enhance both bottom-up and top-down communication mechanisms. For instance, the SAP System could be modified to require a brief background explanation for each request initiated, and approvers should be mandated to provide their rationale for approving the transactions.
3. Although there is no evidence to suggest that other Directors were aware of or involved in orchestrating the Related Party Fund Transfers, the concurrent executive and/or directorial positions held by certain Directors at both Seazen Holdings and/or Seazen Group Limited (a company whose shares are listed on the Stock Exchange (stock code: 1030) ("**Seazen Group**") may undermine the Board's overall independence or give rise to unnecessary conflicts of interest. Given the overlap of board members between the Company, Seazen Holdings and Seazen Group, the nomination committee of the Board should review the Board composition with a view to reducing such overlap among the board members, mitigating conflicts of interest and enhancing the Board's overall independence. Regarding other senior management positions, the Company should avoid appointing individuals with close ties to these associated companies or consider recruiting external candidates.
4. The Company should also consider measures to enhance its internal control management, such as appointing designated personnel or hiring external professionals to oversee the implementation of its internal control procedures. When considering nominations for Directors, including independent non-executive Directors, the Company and its nomination committee should evaluate the candidate's understanding of internal control management.
5. The Company should implement appropriate disciplinary actions against all key individuals involved in the Related Party Fund Transfers. Considering Mr. Yang's level of involvement and the severity of the situation, Mr. Yang should not continue to serve as a Director or in any senior executive positions at the Company and its subsidiaries and associates. As for the other key individuals involved, appropriate actions should be taken based on their level of involvement.
6. Additionally, the Board should consider obtaining legal advice on the merits and/or feasibility of taking any actions against the relevant parties to safeguard the interests of the Group.

VIEWS AND RESPONSES OF THE BOARD

The Board has reviewed the findings of the Independent Forensic Investigation. The Board is of the view that the Independent Forensic Investigation has been properly carried out to investigate into and address the issues in relation to the Related Party Fund Transfers (including the concerns raised by PwC, the former auditor of the Company) to the extent that is practicable, despite the limitations as set forth above, and that the findings of the Independent Forensic Investigation are reasonable.

The Board concurred with the observations of the Independent Investigation Committee, and agreed with the findings of the Independent Forensic Investigation. The Board also agreed with the Recommendations and are of the view that all of them should be implemented as soon as possible. In particular, based on the Recommendations, the Board has taken or will take the following actions:

- (i) The Board has engaged Forvis Mazars Risk Advisory Services Limited as its independent internal control consultant (the “**Internal Control Consultant**”) to conduct a comprehensive review of the internal control system of the Group (the “**Internal Control Review**”), with the primary objective of reviewing and implementing effective internal control measures to prevent the recurrence of similar incidents as the Related Party Fund Transfers. Pursuant to the Recommendations and with the assistance of the Internal Control Consultant, the Group will forthwith strengthen its internal control measures and tighten the control and monitoring of the operation of the SAP System. The Company will publish an announcement separately on the results of the Internal Control Review and the enhancement measures to be adopted by the Group.
- (ii) The Board has, as disciplinary actions against the misconduct of Mr. Yang with respects to the incidents of the Related Party Fund Transfers, removed Mr. Yang from his role as an executive Director and the chief operating officer of the Company, and will terminate all directorships and senior management positions held by Mr. Yang at the Company, its subsidiaries and its associates. In addition, the Company will cease the employment of majority of the employees identified who were involved in the Related Party Fund Transfers, and provide training, on areas such as compliance with the Listing Rules, to the remaining identified employees who had relatively lesser level of involvement. Further, the nomination committee of the Company will review the composition of the Board and the senior management team, with a view to mitigating conflicts of interests and enhancing the Board’s and management’s overall independence.
- (iii) The Company has appointed a designated personnel at the audit monitoring department, to regularly oversee the implementation of its internal control procedures, and it will also engage external professionals to assess the effectiveness of the internal control system at each year end.

- (iv) The Company will consult external legal advisers to evaluate the merits and feasibility of taking actions against the relevant parties involved in the Related Party Fund Transfers to safeguard the interests of the Group.

The impact on the operations and financial position of the Company

Subsequent to the removal of Mr. Yang as an executive Director (as mentioned below), the responsibilities of Mr. Yang, primarily on the operation management and customer service management of the Group, would be assumed by Mr. Qi Xiaoming, an executive Director.

As at the date of this announcement, save as disclosed above, there has been no material change in the senior management of the Group and the operations of the Group remain stable.

Taking into account that the Related Party Fund Transfers had already been fully repaid back to the Group, and that the operations of the Group remain stable and unaffected so far, the Board is of the view that the findings of the Independent Forensic Investigation will not have any material adverse impact on the business operation and financial position of the Group as at the date of this announcement.

REMOVAL OF MR. YANG BO AS EXECUTIVE DIRECTOR

In light of the findings noted from the Independent Forensic Investigation, the Board has removed Mr. Yang as an executive Director and the chief operating officer of the Company (the “**Removal**”) with effect from 30 September 2025 by notice in writing served on him signed by not less than three-fourths in number of the Directors (including Mr. Yang himself) currently in office in accordance with Article 16.18 of the third amended and restated articles of association of the Company. The removal was made for the best interest of the Company and its Shareholders as a whole, taking into account that Mr. Yang had orchestrated the Related Party Fund Transfers without notifying or obtaining approval from the Board and/or the Shareholders, which had jeopardized the interests of the Company and the Shareholders.

Following the Removal, Mr. Yang ceases to be an executive Director, the chief operating officer of the Company and a member of the environmental, social and governance committee of the Company (the “**ESG Committee**”). Mr. Yang will also cease to hold directorships or senior management positions at the Company and its subsidiaries and associates.

The Board considers that the Removal would not have any material adverse effect on the business operations of the Group. Save as disclosed above and in the Announcements, there are no other matters relating to Mr. Yang’s removal that need to be brought to the attention of the Shareholders and the Stock Exchange.

IMPLICATIONS OF THE RELATED PARTY FUND TRANSFERS UNDER THE LISTING RULES AND THE RELEVANT NON-COMPLIANCE

Shanghai Yuesong is a subsidiary of Seazen Holdings, which is in turn a subsidiary of Seazen Group. As Mr. Wang Zhenhua, the Company's controlling shareholder, is also the controlling shareholder of Seazen Group, Shanghai Yuesong is therefore an associate of Mr. Wang Zhenhua, and hence a connected person of the Company under the Listing Rules. Accordingly, the Related Party Fund Transfers constituted continuing connected transactions of the Company.

Pursuant to the findings of the Independent Forensic Investigation, the total amount of Related Party Fund Transfers made to Shanghai Yuesong amounted to RMB1,800 million and RMB5,170 million for the years ended 31 December 2023 and 2024, respectively, whereas the highest outstanding balance of the Related Party Fund Transfers due from Shanghai Yuesong at the relevant time (the "**Highest Outstanding Amount**") amounted to RMB700 million and RMB800 million for the years ended 31 December 2023 and 2024, respectively.

As the highest applicable percentage ratio for the Highest Outstanding Amount has exceeded 25%, the Related Party Fund Transfers constituted continuing connected transactions and major transactions of the Company which were subject to (i) the reporting, announcement, circular (including independent financial advice), annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules; and (ii) the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

Further, as the assets ratio with respect to the Highest Outstanding Amount exceeded 8%, the Related Party Fund Transfers were subject to the disclosure obligations under Rules 13.13 and 13.15 of the Listing Rules.

During the years ended 31 December 2023 and 2024, as the Related Party Fund Transfers were conducted without the knowledge and consent of the Board, the Company had not complied with the aforesaid requirements under the Listing Rules prior to and/or after conducting the Related Party Fund Transfers, and hence the Related Party Fund Transfers and the subsequent failure of disclosure and obtaining independent Shareholders'/ Shareholders' approval constituted breaches of the rules under Chapters 14, 14A and 13 of the Listing Rules.

CHANGE OF MEMBERS OF THE ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE OF THE COMPANY

Following the cessation of Mr. Yang as a member of the ESG Committee upon his removal as an executive Director, Mr. Jiang Xuzhi, an independent non-executive Director, has been appointed as a member of the ESG Committee to fill the vacancy.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended at 9:00 a.m. on Tuesday, 1 April 2025 and will remain suspended until further notice.

The Company wishes to emphasise that the operations of the Group remain stable and unaffected.

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

By order of the Board
S-Enjoy Service Group Co., Limited
Qi Xiaoming
Chairman
Executive Director
Chief Executive Officer

The PRC, 30 September 2025

As at the date of this announcement, the Board comprises Mr. Qi Xiaoming and Ms. Wu Qianqian as executive directors; Mr. Wang Xiaosong, Mr. Lv Xiaoping and Mr. Lu Zhongming as non-executive directors; and Ms. Zhang Yan, Mr. Zhu Wei and Mr. Jiang Xuzhi as independent non-executive directors.