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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)**

## **INSIDE INFORMATION KEY FINDINGS OF INTERNAL CONTROL REVIEW**

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, 29 August 2025 and 30 September 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; (ix) the delay in publication of the 2025 Interim Results and 2025 Interim Report; and (x) the key findings of the Independent Forensic Investigation and removal of an executive Director (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 has engaged Forvis Mazars Risk Advisory Services Limited as the independent Internal Control Consultant to conduct 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.

This announcement sets out the key findings of the Internal Control Review.

## **INTERNAL CONTROL REVIEW**

### **Scope of the Internal Control Review**

The Internal Control Review was conducted on the Company and the major operating subsidiaries of the Group for the period from 1 January 2023 to 31 March 2025 (the “**Review Period**”) and covered the following aspects and major operating cycles:

- (i) Corporate governance practice;
- (ii) Revenue and receipts cycle;
- (iii) Purchases and payments cycle;
- (iv) Inventory management cycle;
- (v) Fixed assets management cycle;
- (vi) Operating expenses and payments cycle;
- (vii) Human resources and payroll management cycle;
- (viii) Treasury (including cash) management cycle;
- (ix) Financial reporting cycle;
- (x) Connected transactions, connected persons account and continuing connected transactions management cycle; and
- (xi) IT general controls cycle.

Internal control follow-up reviews (the “**IC Follow-up Review**”) were conducted by the Internal Control Consultant. The IC Follow-up review and testing period covered the period between 15 September 2025 and 12 October 2025.

## Key Findings of the Internal Control Review

The Company has taken actions to address and implement the findings and recommendations provided by the Internal Control Consultant. The key findings of the Internal Control Review for the Review Period with risk level rating reaching “Medium to High” (the highest risk level rating identified during the Internal Control Review), the corresponding recommendations (the “**Recommendations**”), the Company’s responses and the remediation status are summarised as follows:

### Summary of

### Key Findings

### Recommendations

### Company’s responses and remediation status

#### *Corporate governance practice*

1. The audit monitoring department of the Group (the “ <b>Audit Monitoring Department</b> ”) did not formulate working plans for the evaluation of the risk management and internal control system of the Group during the Review Period, and hence there was uncertainty on the comprehensiveness of the scope of the Group’s evaluation of its risk management and internal control system.	The Audit Monitoring Department should increase the frequency of conducting evaluations of the Group’s risk management and internal control system. Prior to conducting such evaluations, the Audit Monitoring Department shall formulate comprehensive evaluation work plans, which shall clearly set out the scope and details of the evaluations, and submit the same to the audit committee for review. The Audit Monitoring Department shall strictly follow such work plans to execute the relevant procedures. The results of the evaluation shall be directly reported to the audit committee of the Company.	The management agreed with and accepted the Recommendations.  The Company has submitted the service contract for appointment of independent consultant and the evaluation plan to the audit committee. The audit committee has agreed and authorized the Company to complete relevant procedures and sign the related agreement. The Company has engaged an independent consultant to, among others, provide risk assessment consultation services of risk management and internal control review of the Group for 2025. Further, the Company has arranged training in relation to risk management and internal control to the relevant staff of the Group.
	The Group shall consider engaging independent third party institutions regularly to conduct comprehensive evaluation of the Group’s risk management and internal control system.	
	The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.	

## Summary of Key Findings

2. The Group has formulated the S-Enjoy Group Rights and Responsibilities Manual (新城悅服務集團權責手冊), which aims at defining the specific approval authorities for key management matters across all functions. However, during the Review Period, the S-Enjoy Group Rights and Responsibilities Manual was not yet finalized and formally published.

Furthermore, during the Review Period, it was noted that Mr. Wang Xiaosong, Mr. Lv Xiaoping and Mr. Lu Zhongming, the then non-executive Directors of the Company, also served as the directors and/or chairman of the supervisory board of Seazen Holdings and Seazen Group.

## Recommendations

The Group shall further update and finalise the S-Enjoy Group Rights and Responsibilities Manual as soon as possible, which shall record the approval authority involved in various corporate operation processes of the Group, and shall publish the same upon review by the management for the reference of all departments, regional companies and functions of the Group.

## Company's responses and remediation status

The management agreed with and accepted the Recommendations.

The Company has finalized and formally published the S-Enjoy Group Rights and Responsibilities Manual in October 2025.

In addition, as disclosed in the announcement of the Company dated 27 October 2025, the nomination committee of the Company has considered the recommendations from the Independent Investigation Committee (as disclosed in the announcement of the Company dated 30 September 2025) and proposed to the Board for the restructure of the Board composition to enhance the overall independence and better handle conflict of interests. Mr. Wang Xiaosong, Mr. Lv Xiaoping and Mr. Lu Zhongming agreed with such proposal and for the benefit of the Company and the shareholders as a whole, they resigned as the non-executive Directors with effect from 27 October 2025.

## Summary of Key Findings

### *Fixed assets management cycle*

3. There were deficiencies in the Group's preparation and management procedure of the list of fixed assets. During the Review Period, it was noted that (i) certain assets information record in the Group's list of fixed assets were not detailed enough, including the lack of detailed information on electronic equipment fixed assets and unique serial number; (ii) discrepancies between the records of users information of the fixed assets in the list of fixed assets and the actual users of the relevant fixed assets due to untimely update of the SAP System; and (iii) the Group did not establish a comprehensive management list for office terminal equipment (including equipment purchased by the Group and the equipment brought in by the employees for office use).

## Recommendations

- (i) The Group shall record additional information (such as the brand, model and unique serial number) regarding its electronic equipment in the asset management module of the SAP System. Such information shall be updated along with other information in the list of fixed assets of the Group.
- (ii) The Group shall strictly implement its internal policy regarding changes of users of assets. Where there are changes regarding the actual users of the assets, such changes shall be updated in users information in the asset management module of the SAP System and maintain the relevant application and approval record of such user. The fixed assets manager shall conduct monthly inspection of the usage of the assets (in particular on the consistency between the actual users of the assets and the registered information), and forthwith implement rectifications when inconsistencies are discovered.

## Company's responses and remediation status

The management agreed with and accepted the Recommendations (i) and (ii).

In this connection, the Group has formulated, approved and published the "S-Enjoy Services Assets Management Policy (2025 version)" (新城悅服務物資管理辦法(2025版)) in November 2025, mainly to standardize the internal management on assets within the Group, to ensure safe and effective use of the assets and explicitly set forth the responsibilities of relevant assets management parties, as well as the utilisation of assets in their units that require to be inspected by the asset management staff on a monthly basis, and carry out updates on the "Idle Assets Account". Pursuant to the IC Follow-up Review by the Internal Control Consultant, (i) the Group has updated the list of fixed assets, with information including the brand name and model (but not the unique serial number) of the fixed assets (including electronic equipment purchased by the Group) being recorded. The Company has confirmed that the Group plans to complete the addition of unique serial number of the relevant electronic equipment in the list of fixed assets by January 2026; and (ii) the asset management staff can initiate the process of "fixed assets information maintenance" in the SAP System to make an application for change of the user or safekeeper of the relevant fixed assets, which shall set out the reasons of the application and the information of the new user. Subject to the department which initiates such request of change of user of the fixed assets, the responsible person of the relevant designated department would be responsible for approving such application. According to the sampling test results of the IC Follow-up Review, the asset management staff have performed inspection of the monthly asset utilisation and compiled the "Idle Assets Account".

**Summary of  
Key Findings**

**Recommendations**

**Company's responses and remediation status**

(iii) The Group should promptly establish a comprehensive equipment inventory, which should include key information such as basic equipment details, ownership and usage information, system security information and software asset information. Such list shall be regularly updated to ensure accuracy and effectiveness.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

For Recommendation (iii), the management agreed to compile all electronic equipment acquired by the Company, and prepare a full list of electronic equipment, which shall record information including but not limited to the unique serial number, assigned department, user and the date on which the equipment is picked up by the user. However, due to the relatively large number of employees of the Group, the Group is unable to completely record the equipment brought in by the employees and their relevant information. In this regard, equipment brought in by the employees shall be subject to the relevant systems and procedures according to the requirements of equipment brought in for office use.

In this regard, the Group has formulated a list of electronic equipment procured by the Group, which sets out basic information of the electronic equipment, including but not limited to serial number of the asset, serial number of the equipment, the designated department, the users and asset recognition date. In addition, the Group has provided relevant training to the relevant asset management staff regarding the management of the fixed assets documentation, the list of assets and change of users.

In addition, the Group plans to introduce the centralized office equipment scheme, which shall fully transform from "Bring Your Own Device" to "Group Assign Device". For employees in the headquarter of the Group, the scheme shall be implemented by the end of 2028 and by 2031 for all employees.

**Summary of  
Key Findings**

**Recommendations**

**Company's responses and remediation status**

***Treasury (including cash) management cycle***

4. There were deficiencies in the Group's internal monitoring procedure regarding the management of bank transactions record in the SAP System. During the Review Period, it was noted that (i) 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 and monitor requirements on relevant functions and authorities for such employees; (ii) there were multiple occasions of deletion of bank transaction records in the SAP System; (iii) the Group did not set up an archive to record all deletions of bank transaction records; and (iv) there was no appropriate approval procedure for deletion of bank transaction records.

The Group shall revoke the "delete" and "reverse" functions for bank transaction records in the SAP System.

Additionally, The Group shall adopt 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.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

The management agreed with and accepted the Recommendations.

The Group has formulated, approved and published the "S-Enjoy Service Capital Management Policy (2025 version)" (新城悅服務資金管理辦法(2025版)) in November 2025, which governs the management of capital of the Group, to ensure the safety of the Group's capital, and enhance the efficiency of usage of the capital. Such policy has explicitly prohibited deletion of bank transaction records of the Group. In the circumstances of duplicated downloads of ledgers or requiring the reversal of ledgers due to system error or other force majeure situations, the Financial Shared Service Centre of the Group shall initiate an application for ledgers that require reversal, which shall then be reviewed and approved by the responsible persons of the capital management workstream and the chief financial officer of the Group, and afterwards the SAP System shall generate a reversal bank transaction record.

Since the end of September 2025, the Group has revoked the "delete" and "reverse" functions for bank transaction records in the SAP System. Further, the Group has provided training to the staff responsible for the capital management workstream, the staff in the Financial Shared Service Centre of the Group and the relevant capital management staff in each district regarding the prohibition from using the "delete" and "reverse" functions for bank transaction records in the SAP System.

## Summary of Key Findings

5. The payment application and approval procedures were not implemented effectively. In particular, during the Review Period, it was noted that (i) there were instances of approval of payments through paper-based approval forms instead of going through the approval procedures of the SAP System; and (ii) the policy and procedure for approval of urgent payment requirements was not put in writing.

## Recommendations

The Group shall cease all usage of paper-based approval forms for payment approval. All payment applications shall be made through the SAP System and approved by designated personnel. After completion of the approval process, designated personnel from the Finance Management Centre shall execute the payment process based on the properly approved payment application. Payment applications which are not approved through the SAP System shall not be processed.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

## Company's responses and remediation status

The management agreed with and accepted the Recommendations.

The Group has formulated, approved and published the "S-Enjoy Service Capital Management Policy (2025 version)" (新城悅服務資金管理辦法(2025版)) in November 2025, which governs the management of capital of the Group, to ensure the safety of the Group's capital, and enhance the efficiency of usage of the capital. The policy has set out the approval procedure of payment requests, pursuant to which the business departments shall initiate payment requests in the SAP System, and shall specify the purpose of the payment, the amount, the information of the payee, and the corresponding contract or basis to support the payment. Payment shall only be made after completion of the approval process. The capital team of the Financial Shared Service Centre shall check the accuracy of the name of the payee and the bank account details before submitting the payment instruction to the bank.

During the IC Follow-up Review, it was noted that the Group has prohibited all usage of paper-based approval forms for approval of payment requests. Such payment requests are approved through the SAP System. Further, the Group has provided training to the staff responsible for the capital management workstream, the staff in the Financial Shared Service Centre of the Group and the relevant capital management staff in each district regarding, among others, capital management and cessation of usage of paper-based approval forms for approval of payment requests.

## Summary of Key Findings

6. The USB token of the Group's bank accounts were not used appropriately, and there were deficiencies in the management procedure of such USB token. It was noted that (i) the custodians of the USB token for the Group's bank accounts conducted payment pursuant to paper-based approval forms instead of approval through the SAP System; and (ii) the custodians of the USB token for the Group's bank accounts did not execute any custody authorization letter.

## Recommendations

The Group shall cease all usage of paper-based approval forms for payment approval. All payment applications shall be made through the SAP System and approved by designated personnel. After completion of the approval process, designated personnel from the Finance Management Centre shall execute the payment process based on the properly approved payment application. Payment applications which are not approved through the SAP System shall not be processed.

The Group shall formulate safekeeping authorization letter for the USB token of the Group's bank accounts. Such letter shall set out the responsibilities and relevant reminders for safekeeping the USB token, and shall be signed by the personnel assigned to safekeep the USB token as confirmation.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

## Company's responses and remediation status

The management agreed with and accepted the Recommendations.

The Group has formulated, approved and published the "S-Enjoy Service Finance Management Operation Guide (2025 version)" (新城悅服務財務管理作業指引(2025版)) in November 2025, which provides guidance on various finance related tasks. The guide has set out the policy regarding the custody of the USB token of the Group's bank accounts. In general, in the event of any change to the custodians of the USB token, a written handover procedure shall be completed, and the information in relation to the USB token, such as the corresponding account name, name of the bank, account number, authority and time of transfer shall be specified. The handover shall be authorized and supervised by the head of the Financial Shared Service Centre, and the transferor and recipient of the USB token and the supervisor shall all sign to confirm the handover and keep the written record for future reference.

During the IC Follow-up Review, it was noted that the relevant custodians of the USB tokens have signed the relevant custody authorization letters, which set out, among others, the number of USB tokens under custody, the type of USB token, the period, scope, responsibilities and requirements of custody as well as relevant important notices. Further, the Group has provided training to the staff responsible for the capital management workstream, the staff in the Financial Shared Service Centre of the Group and the relevant capital management staff in each district regarding, among others, the responsibilities and requirements in relation to the custody and usage of the USB tokens.

During the IC Follow-up Review, it was noted that the Group has prohibited and ceased all usage of paper-based approval forms for approval of payment requests. Payment requests are approved through the SAP System.

## Summary of Key Findings

7. The monthly bank accounts reconciliation procedures were not implemented effectively. During the Review Period, it was noted that the Group did not perform direct reconciliation between the bank ledgers and the bank statements.

## Recommendations

Designated personnel of the Group shall conduct regular (e.g. monthly) reconciliation of all the Group's bank account. The relevant designated personnel of the Group shall directly reconcile the bank ledgers with the bank statements issued by the relevant banks. Upon completion of the reconciliation, the designated personnel shall prepare the "Bank Balance Adjustment Form (銀行存款餘額調節表)" according to the reconciliation results, which shall be reviewed by relevant responsible persons of the Group. Such responsible persons of the Group shall follow up on all discrepancies discovered during reconciliation and make appropriate adjustments after learning the reasons of such discrepancies.

The relevant responsible personnel of the Group may also prepare bank reconciliation statements. These statements shall list the basic information of all bank accounts (including but not limited to account numbers, account names and affiliated corporate entities), the current month's balance for each bank account in the bank ledger, and the reconciliation results of corresponding transaction records. After reconciliation and confirmation, the relevant reconciliation personnel shall submit the bank reconciliation list to the designated personnel for review. Upon confirmation, the designated personnel shall also sign and confirm the bank reconciliation list. All prepared and signed bank reconciliation lists shall be properly retained for future reference.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

## Company's responses and remediation status

The management agreed with and accepted the Recommendations.

The Group has formulated, approved and published the "S-Enjoy Service Finance Management Operation Guide (2025 version)" (新城悅服務財務管理作業指引(2025版)) in November 2025, which provides guidance on various finance related tasks. The Guidance sets forth the responsibilities of the Financial Shared Service Centre, including monthly reconciliation between the bank accounts. Employees of the Financial Shared Service Centre shall carry out monthly bank accounts reconciliation, download bank statements which were directly issued by the bank from online banking and reconcile with the bank ledgers (including the bank account balances and any bank transaction records amounted to RMB100 million or more), prepare monthly bank account reconciliation summary or bank balance adjustment statement according to the reconciliation results, and submit the same to the head of the Financial Shared Service Centre for review.

During the IC Follow-up Review, it was noted that the bank account management staff in the Finance Management Centre has obtained bank statements issued independently by the bank, performed bank account reconciliation procedures based on the Group's bank ledgers, and prepared bank reconciliation summaries (for direct corporate bank accounts) and bank balance reconciliation statements (for non-direct corporate bank accounts), which covers information such as, including but not limited to, basic information of the bank accounts, the reconciliation results of the bank account balances from the monthly bank ledgers of the Group, balance of the bank reconciliation statement and bank transaction records exceeding RMB100 million. After completion of the reconciliation process and confirmation of accuracy, the bank account management shall submit the bank reconciliation summary and bank balance adjustment statement to the head of the Financial Shared Service Centre for review.

Furthermore, the Group has provided training on bank reconciliation process to staff who are responsible for bank funding.

**Summary of  
Key Findings**

**Recommendations**

**Company's responses and remediation status**

8. No limit was set on the maximum amount of payment that can be approved by a single approver.

The Group shall establish a hierarchical approval structure for different payment amounts. In the event the amount of a payment application exceeds the approval limit of a single approver, such application shall be reported to the Board for approval. The Board shall deliberate on whether such payment is in the interests of the Group, and shall approve such payment by way of a board resolution(s) before the payment can be made.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

The management agreed with and accepted the Recommendations.

The Group has formulated, approved and published the "S-Enjoy Service Capital Management Policy (2025 version)" (新城悅服務資金管理辦法(2025版)) in November 2025, which governs the actions of management of capital of the Group, to ensure the safety of the Group's capital, and enhance the efficiency of usage of the capital. The policy has set out the policies and procedures for large payments. For all single payments exceeding RMB100 million, upon completion of the standard SAP System payment approval process, such payment application must undergo further large amount reporting and application process, and approved by two Directors. Thereafter, the relevant staff in the Financial Shared Service Centre would complete the payment operations. The above policy and procedures have been implemented in the SAP System since November 2025.

Furthermore, the Group has provided training on large payment reporting process to staff who are responsible for bank funding.

**Summary of  
Key Findings**

**Recommendations**

**Company's responses and remediation status**

*Connected transactions, connected persons account and continuing connected transactions management cycle*

9. There were deficiencies in the internal monitoring procedure on connected transactions (including continuing connected transactions). During the Review Period, it was noted that (i) there was no written records on the review and circulation of the list of connected persons; (ii) there was no written review records of the "summary of connected transactions"; and (iii) there was no written records of regular reconciliations with the Group's connected persons. Further, it was noted that the unrecognized connected transactions of the Group failed to undergo size tests due to the absence of appropriate reporting procedures.

The Group shall assign a designated responsible person to manage the procedure and management measures in relation to the Group's connected transactions and continuing connected transactions. All connected transactions (and continuing connected transactions) shall be reported to such designated responsible person, who shall be responsible for implementing the relevant compliance procedures.

The Group shall regularly review and update the list of connected persons of the Group. Such list shall set out all connected persons of the Group, including their names, natures of corporation and places of incorporation, etc., and shall be updated and reviewed by designated personnel assigned by the Group. The updated list of connected persons shall be circulated among employees of the relevant departments and a written circulation record shall be kept.

The Group shall provide regular trainings on connected transactions (and continuing connected transactions) to the Group's staff, including but not limited to the identification, reporting and execution of (continuing) connected transactions.

The Group shall update the "summary of connected transactions" on a monthly basis and submit the same to a designated responsible person of the Group for review.

The management agreed with and accepted the Recommendations, and arranged for the joint company secretary of the Company to be responsible for managing the procedures and control measures regarding connected transactions and continuing connected transactions of the Group, including but not limited to monitoring the list of connected persons and connected transactions, as well as monitoring the Group's compliance procedures for (continuing) connected transactions, such as performing size tests and taking necessary actions in compliance with the Listing Rules.

During the IC Follow-up Review, it was noted that (i) the Group has arranged for the joint company secretary of the Company to be responsible for managing the procedures and control measures regarding connected transactions and continuing connected transactions of the Group; (ii) the staff in the Board office has updated the list of connected persons of the Group, which has been submitted to the joint company secretary of the Company for review in November 2025; (iii) the Group has arranged training for the relevant staff regarding connected transactions in November 2025; and (iv) the Group targets to commence the regular reconciliation with connected persons in early 2026.

**Summary of  
Key Findings**

**Recommendations**

**Company's responses and remediation status**

The Group shall conduct regular (monthly or quarterly) written reconciliations with the Group's connected persons. Relevant responsible person of the Group shall formulate written reconciliation statements (setting out the details and transaction amounts of the connected transactions), and submit the same to the Group's connected persons for reconciliation. The Group shall request the connected persons to affix their company seals on the reconciliation statements for confirmation and return the same to the Group for record.

The Group shall arrange a designated staff to prepare size tests for transactions with connected persons of the Group, which shall then be submitted to the designated responsible person for review. In the event the relevant connected transactions reach the relevant thresholds set out under the Listing Rules, the Group shall arrange for the designated staff to carry out all necessary actions to comply with the requirements under the Listing Rules (including Chapter 14A, Chapter 14 and Chapter 13 of the Listing Rules).

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

**Summary of  
Key Findings**

**Recommendations**

**Company's responses and remediation status**

***IT general controls cycle***

10. There was a lack of management and monitoring policies and procedures for the staff's usage of personal electronic equipment for the Group's business purpose. During the Review Period, it was noted that (i) the Group did not formulate written policies and procedures on the "Bring Your Own Device" (BYOD) work model; (ii) there was no regular safety inspection on the office equipment brought in by the staff (including but not limited to virus scan, software licenses, system patching, firewall installation and sensitive document storage screening etc.); and (iii) there was no procedure implemented to check and confirm whether all data regarding the Group has been deleted from the personal electronic devices of departing employees.

The Group shall establish policies on the staff's usage of personal electronic equipment for the Group's business purpose, which shall specify the management measures on equipment access, requirements for safe operation, and safety management on data storage, etc. A regular safety inspection policy shall further be established, pursuant to which responsible personnel of the Group shall conduct virus scan, patch updates and other inspection works.

The Group shall enhance the procedures on employee exit management, pursuant to which relevant exiting employees shall be required to confirm, and provide evidence to support, that all data in relation to the Group has been removed from their personal electronic equipment.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

The management agreed with and accepted the Recommendations.

The Group has formulated, approved and published the "S-Enjoy Service Information Security Management Measures (2025 version)" (新城悅服務信息安全管理辦法(2025版)) in October 2025, primarily to standardize and strengthen the information security management of the Group's business, information systems and personnel, ensure the stable and reliable operation of the Group's information systems, and ensure the security and controllability of all types of information assets of the Group. The policy sets out the major information security risks within the Group, including risks associated with personal office terminals due to the Company's adoption of "Bring Your Own Device" (BYOD) work model, lack of centralized management, patch installation, and virus scanning. During the IC Follow-up Review, according to the sampling test results of the IC Follow-up Review, the staff of the Digital Development Centre have performed the regular monthly inspection on personal computers in December 2025 to check on the operating system, firewall configuration, anti-virus software, software licensing and installation status, and data storage of relevant staff's personal computers, and compiled the personal computer inspection report based on the inspection results.

## Summary of Key Findings

## Recommendations

## Company's responses and remediation status

Further, the Group has updated the template for the "Departure Handover Form" (離職交接單), which now includes a new requirement to confirm whether company data has been deleted from the departing employee's personal computer, which shall be checked by the relevant staff of the same department as the departing employee. During the IC Follow-up Review, it was noted that the aforesaid arrangements have been implemented.

In addition, the Group plans to introduce the centralized office equipment scheme, which shall fully transform from "Bring Your Own Device" to "Group Assign Device". For employees in the headquarter of the Group, the scheme shall be implemented by the end of 2028 and by 2031 for all employees.

Furthermore, the Group has provided training on work safety system for employees who adopt "Bring Your Own Device" and the deletion of company data from "Bring Your Own Device" upon employees' resignation to personnel of the Finance Management Centre and the Digital Development Centre, etc.

## Summary of Key Findings

11. There was a lack of measures of the Group to control the deletion of work-related documents by the staff.

## Recommendations

The Group shall formulate management measures on work-related documents, pursuant to which (i) all staff shall conduct regular backup of all work-related documents; and (ii) prior approval by relevant designated responsible person shall be obtained before mass deletion of work-related documents can be conducted. The Group may also upgrade its information technology system, which shall restrict all staff from conducting mass deletion of work-related documents without approval. The Group shall also formulate a comprehensive policy on the management of work-related documents, which shall set out the requirements on the safekeeping and back-up of work-related documents and the reporting procedure for conducting mass-deletion of work-related documents.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

## Company's responses and remediation status

The management agreed with and accepted the Recommendations.

The Group has formulated, approved and published the "S-Enjoy Service Information Security Management Measures (2025 version)" (新城悅服務信息安全管理办法(2025版)) in October 2025, primarily to standardize and strengthen the information security management of the Group's business, information systems and personnel, ensure the stable and reliable operation of the Group's information systems and ensure the security and controllability of all types of information assets of the Group. The policy specifies that employees should regularly back up the information on their personal office computers based on the importance and frequency of modification of such information, and establish approval and management process for deleting or destroying data. In addition, the Group has arranged for the relevant staff to read and confirm the "information risk management confirmation list" to acknowledge their understanding of the relevant requirements under the "S-Enjoy Service Information Security Management Measures (2025 version)" and that arbitrary deletion of data is prohibited. Additionally, according to the sampling test results of the IC Follow-up Review, the Group has performed the monthly inspection on deletion of company data on personal computers of personnel of the Finance Management Centre in December 2025.

Furthermore, the Group has provided training on relevant system requirements of deleting substantial company data to personnel of the Finance Management Centre and the Digital Development Centre, etc.

**Summary of  
Key Findings**

**Recommendations**

**Company's responses and remediation status**

12. There was a lack of monitoring procedures for the authority management and function settings of the SAP System and SAP System's Graphic User Interface ("GUI"). During the Review Period, it was noted that (i) user accounts for the SAP System had been granted to two former non-executive Directors (Mr. Wang Xiaosong and Mr. Lv Xiaoping) and Mr. Wang Zhenhua (the controlling shareholder of the Company) without proper authorization procedures; and (ii) the safety audit log function was not enabled in the SAP System and GUI, as a result, no valid record was created for the key operation on the SAP System and GUI data base (including data alteration, change of authorities and sensitive information inquiry etc.).

The Group shall forthwith suspend the user accounts of the SAP System for the relevant non-executive Directors. If it is necessary to activate relevant accounts for personnel due to actual business requirements, an independent monitoring mechanism should be established for their accounts. For example, designated independent departments should periodically review the operation logs. In addition, the Group shall enable security audit logs for the SAP System and GUI, and designate responsible personnel to regularly review the operation or access logs of the SAP System and GUI. The relevant review records shall be properly documented for future reference.

The Group shall organise training for relevant personnel in relation to the above improvement plans to ensure that the relevant policies and procedures are effectively implemented.

13. There were occasions that account authority was granted without executing the relevant application and approval procedures under the SAP System.

The Group shall strictly require that applications be submitted within the SAP System and receive appropriate approvals before granting relevant account authority.

The Group shall organize training for relevant personnel in respect of the aforementioned improvement plan to ensure effective implementation of the relevant policies and procedures.

The management agreed with and accepted the Recommendations.

During the IC Follow-up Review, it was noted that (i) the Group has suspended the SAP System user accounts of Mr. Wang Xiaosong, Mr. Lv Xiaoping and Mr. Wang Zhenhua; and (ii) the Group has enabled the audit log function in the SAP System, and enabled the audit log function of the bastion host using the GUI of the bastion host. In addition, according to the sampling test results of the IC Follow-up Review, the Group's Digital Development Centre personnel have performed review of system operations or access logs for the fourth quarter of 2025.

Furthermore, the Group has provided training on relevant requirements for creating the SAP System account and the grant of account authority to personnel of the Finance Management Centre and the Digital Development Centre, etc.

The management agreed with and accepted the Recommendations.

During the IC Follow-up Review, it was noted that the relevant applicants submitted the relevant applications for SAP System account authority in the SAP System, which were approved by the relevant responsible persons.

Furthermore, the Group has provided training on relevant requirements for establishment of the SAP System account and the grant of account authority to personnel of the Finance Management Centre and the Digital Development Centre, etc.

## **VIEWS OF THE AUDIT COMMITTEE AND THE BOARD**

Having considered the findings of the Internal Control Review and the remedial actions taken by the Group, the audit committee of the Company and the Board are of the view that the remedial measures implemented by the Group are adequate and sufficient to address the key findings of the Internal Control Review, and the improved internal control policies and management measures on, among others, payment approval, connected transactions (and continuing connected transactions) and management of the SAP System can facilitate the Group to prevent incidents similar to the Related Party Fund Transfers and other key findings of the independent Forensic Accountant (as disclosed in the announcement of the Company dated 30 September 2025) from happening in the future. As such, the Board is of the view that the Company has now in place an adequate and effective internal control systems to comply with its obligations under the Listing Rules.

## **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, 31 December 2025

*As at the date of this announcement, the Board comprises Mr. Qi Xiaoming and Ms. Wu Qianqian as executive Directors; and Ms. Zhang Yan, Mr. Zhu Wei and Mr. Jiang Xuzhi as independent non-executive Directors.*