香港聯合交易所有限公司
(香港交易及結算所有限公司全資附屬公司)
THE STOCK EXCHANGE OF HONG KONG LIMITED
(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against Three Former Directors of Jiayuan Services Holdings Limited (Stock Code: 1153)

SANCTIONS

The Stock Exchange of Hong Kong Limited (**Exchange**)

IMPOSES:

A DIRECTOR UNSUITABILITY STATEMENT and **CENSURE** against:

(1) **Mr Zhu Hongge**, former chairman, chief executive officer and executive director (**ED**) of Jiayuan Services Holdings Limited (**Company**, together with its subsidiaries, **Group**) (**Mr Zhu**); and

A PREJUDICE TO INVESTORS' INTERESTS STATEMENT and **CENSURE** against:

(2) **Mr Bao Guojun**, former ED of the Company (**Mr Bao**); and

(3) **Mr Pang Bo**, former ED of the Company (**Mr Pang**).

(The directors set out in (1) to (3) above are collectively referred to as **Relevant Directors**.)

SUMMARY OF FACTS

1. The Relevant Directors breached their directors' duties under the Listing Rules in respect of the Group's provision of financial assistance of approximately RMB1,994,957,000 to various entities controlled by Mr Shum Tin Ching, the Company's founder and then controlling shareholder (**Shareholder Shum**), from January 2021 to December 2022.

A. Parties

2. The Company was principally engaged in property management services in the PRC. On 9 December 2020, it was listed on the Exchange as a spin-off from another listed company principally engaging in property development in the PRC (note 1).

3. At all material times in 2021 and 2022:

Shareholder Shum

3.1 Shareholder Shum was the Company's ultimate controlling shareholder through various investment holding companies including China Jiayuan Group Limited, which was wholly owned by Shareholder Shum and known to the Company as **Headquarters**.

3.2 On 22 January 2026, the Exchange sanctioned Shareholder Shum for his failure to cooperate in its investigation (note 2).

Relevant Directors

3.3 The Relevant Directors of the Company were:

(a) Mr Zhu, who became the chairman, chief executive officer and an ED of the Company, since 11 June 2020.

(b) Mr Bao, who joined the Group in December 2016 and was appointed as the deputy general manager of its integrated management centre. He became an ED of the Company since 9 August 2021.

(c) Mr Pang, who was a non-executive director of the Company from June 2020 to October 2021. He became its ED since 8 October 2021.

B. Unauthorised fund transfers to entities controlled by Shareholder Shum

4. Prior to the Company's listing in December 2020, Shareholder Shum adopted a centralised fund management system whereby he (a) centralised and pooled funds from all the entities controlled by him including the Group, and (b) allocated the centralised funds to these entities based on their funding needs (**Centralised Fund Management**).

5. During its listing application, the Company claimed that the Centralised Fund Management had been discontinued, and it would maintain financial independence after its listing. However, evidence as set out below indicated otherwise.

6. Between 4 January 2021 (i.e. shortly after the Company's listing) and 29 December 2022:

   6.1 The Group, without reporting to or obtaining approval from any of the Company's directors, transferred a total sum of approximately RMB1,994,957,000 (which included the listing proceeds) through 398 payments to various entities controlled by Shareholder Shum (**Shareholder Shum Entities**). These transfers are collectively referred to as **Unauthorised Fund Transfers**.

   6.2 The Group received approximately RMB1,351,138,000 from the Shareholder Shum Entities.

7. A breakdown of these fund outflows and inflows is set out below:

	2021 RMB'000	**2022** RMB'000	**Total** RMB'000
Unauthorised Fund Transfers to the Shareholder Shum Entities	885,975	1,108,982	1,994,957
Fund transfers from the Shareholder Shum Entities	(885,975)	(465,163)	(1,351,138)
Net Unauthorised Fund Transfers	-	643,819	643,819

8. The Unauthorised Fund Transfers were all effected by the Company's finance resource centre under the instructions of Shareholder Shum (and his corporate vehicle, namely the Headquarters) who overrode the Company's internal control system (**Overriding Arrangement**).

9. Essentially, the Centralised Fund Management remained in place after the Company's listing, contrary to its claim that such fund management had been discontinued.

10. The Company could not recover the net Unauthorised Fund Transfers of approximately RMB644 million (see the table at paragraph 7 above) and subsequently wrote the same off in full.

11. As a result:

    11.1 The Group's cash and bank balances were depleted significantly from RMB633 million as at 31 December 2021 to RMB24 million as at 31 December 2022.

    11.2 The Group's equity value also declined sharply from a surplus of RMB627 million as at 31 December 2021 to a deficit of RMB34 million as at 31 December 2022.

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C. Actions approved by Mr Zhu in respect of the Unauthorised Fund Transfers

12. The Company's finance resource centre took the following steps apparently to prevent the Unauthorised Fund Transfers from being discovered by its auditors. Such steps were approved by Mr Zhu, although he claimed that he did not knowingly participate in any concealment scheme.[1]

Year ended 31 December 2021

12.1 On or around 29 December 2021, as requested by the Company's finance resource centre, Mr Zhu approved demanding the Headquarters to repay RMB114,598,183 (representing the then outstanding Unauthorised Fund Transfers) by 31 December 2021 (**Repayment Demand**).

12.2 Notwithstanding the Repayment Demand, between 29 and 31 December 2021, the Group transferred a further sum of RMB50,251,817 to the Shareholder Shum Entities.

12.3 On 30 and 31 December 2021, repayment of RMB164,850,000 was made, and the then Unauthorised Fund Transfers were offset in full (see the table at paragraph 7 above).

12.4 In the circumstances, the Company's auditors did not discover the Unauthorised Fund Transfers in its 2021 annual audit.

Year ended 31 December 2022

12.5 On or around 3 March 2023, Mr Zhu signed a form approving a written proposal by the Company's finance resource centre which expressly set out the following actions to take in respect of the outstanding Unauthorised Fund Transfers as at 31 December 2022:

(a) To inflate the Company's bank balances in its accounting records.

(b) To forge its bank statements.

(c) To forge bank chops for use in bank confirmations.

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[1] For the Listing Committee's findings on Mr Zhu's actions: see paragraphs 22-23 below.

D. Discovery of the Unauthorised Fund Transfers

13. During the Company's 2022 annual audit, the irregularities on the Group's cash and bank balances, including the Overriding Arrangement and Unauthorised Fund Transfers, were discovered and reported to Mr Zhu and Mr Pang in November 2023. The Company's full board was first made aware of the same in December 2023, which was almost three years from the first Unauthorised Fund Transfer.

14. Mr Bao and Mr Pang admitted that prior to the discovery, they performed little or no oversight of the Group's financial affairs, and had little knowledge about the Group's cash and bank balances over the years.

15. The Group's actual cash and bank balances were found to be RMB24 million only as at 31 December 2022, as opposed to RMB509 million recorded in the Company's accounting records, representing an overstatement of 95%.

E. Material internal control deficiencies

16. Following the above discovery in late 2023, the Company engaged external advisers to conduct an investigation and an internal control review, which were completed in September 2024. The external advisers identified material internal control deficiencies in the Group's financial controls:

    16.1 The Company lacked genuine financial independence. After the Company's listing, the Headquarters continued to exert material influence and control over the Company's finance resource centre, resulting in the Overriding Arrangement and the Unauthorised Fund Transfers.

    16.2 The Company's finance resource centre failed to identify connected transactions and report them to the Board, in breach of its internal control policy.

17. The Relevant Directors, given their roles at the material times, were given notices of the importance of the following:

    17.1 the Group's financial independence as set out in the Company's prospectus; and/or

    17.2 the Group's ability to identify control deficiencies, which was raised by the Company's external consultant on 4 November 2020. The consultant made a medium-risk finding and recommended setting up an independent internal audit department or else there would be an increased risk that the Group could not identify internal control deficiencies in a timely manner. This recommendation was reiterated by the Company's audit committee on 25 August 2021.

18. Nevertheless, the Relevant Directors did not take any steps at the material times to procure the Company to:

    18.1 conduct internal control reviews on (a) its finance resource centre, and (b) its policy on connected transaction, to ensure the Group's genuine financial independence; and/or

    18.2 address the repeated recommendations and establish an independent internal audit department.

19. In the end, the Relevant Directors allowed the internal control deficiencies set out in paragraph 16 above to occur and continue for almost three years since the Company's listing.

SETTLEMENT

20. The Relevant Directors admitted their respective breaches of the Listing Rules and agreed to accept the sanctions imposed on them as set out in this Statement of Disciplinary Action.

LISTING COMMITTEE'S FINDINGS

21. The Listing Committee found as follows:

Mr Zhu

22. Mr Zhu had breached Rules 3.08 and 3.09B (Notes 3 to 5):

    22.1 In December 2021, when Mr Zhu approved making the Repayment Demand, he was put on notice that the Group had transferred a substantial sum of at least RMB114 million to the Shareholder Shum Entities. Upon such notice, Mr Zhu should have procured, but failed to procure, the Company's compliance with Chapters 14 and 14A of the Listing Rules.

    22.2 A reasonable director in Mr Zhu's position would also have sought more information on the transfers which would have led to a train of inquiry revealing details of the relevant financial and internal control irregularities. Yet, he overly relied on the Company's finance resource centre with no or insufficient supervision, and failed to exercise reasonable skill, care and diligence to identify, address and prevent the Group from acting on the Overriding Arrangement and making further Unauthorised Fund Transfers.

22.3 The Unauthorised Fund Transfers continued to take place in 2022, and in March 2023, Mr Zhu signed the approval form for the proposal by the Company's financial resource centre to inflate the Group's bank balances and forge bank statements and bank chops. Despite his express approval, Mr Zhu submitted that he did not knowingly participate in any scheme to conceal the Unauthorised Fund Transfers. Be that as it may, such approval of Mr Zhu, on its own, amounted to a serious breach of his director's duty regardless.

22.4 Lastly, Mr Zhu failed to procure the Company to establish and maintain appropriate and effective internal controls at all material times.

23. By reason of his conduct above which amounted to serious and/or repeated failures to discharge his responsibilities under the Listing Rules, it is in the Exchange's opinion that Mr Zhu is unsuitable to occupy a position as director or within senior management of the Company or any of its subsidiaries.

Mr Bao and Mr Pang

24. Mr Bao and Mr Pang had breached Rule 3.08 (see Notes 3 & 5):

24.1 Mr Bao and Mr Pang failed to exercise reasonable skill, care and diligence to properly monitor the Group's financial affairs. They delegated the financial review functions to the Company's finance resource centre and its auditors with no or insufficient supervision. As a result, they failed to put themselves in a position to identify the Overriding Arrangement and Unauthorised Fund Transfers and to take remedial action accordingly. This was notwithstanding that these issues took place over a prolonged period from January 2021 to December 2022 and involved a substantial amount of almost RMB2 billion.

24.2 Mr Bao and Mr Pang also failed to procure the Company to establish and maintain appropriate and effective internal controls at all material times.

25. By reason of their conduct above, it is in the Exchange's opinion that the occupying of the position of director or senior management of the Company or any of its subsidiaries by Mr Bao and Mr Pang may cause prejudice to the interests of investors.

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CONCLUSION

26. The Listing Committee decided to impose the sanctions set out in this Statement of Disciplinary Action.

27. For the avoidance of doubt, the Exchange confirms that the above sanctions (a) apply only to the Relevant Directors, and not to the Company or any other of its past or present directors, and (b) are imposed without prejudice to any other enforcement action by the Exchange against the Company or other responsible parties.

Hong Kong, 17 July 2026

Notes:

1. The Company spun off from Jiayuan International Group Limited, shares of which (previous stock code: 2768) were delisted from the Exchange on 29 October 2024.

2. On 22 January 2026, the Exchange imposed a Director Unsuitability Statement and censured against Shareholder Shum (being a then non-executive director of the Company's then listed parent company) for his failure to cooperate in its investigation. The Statement of Disciplinary Action is available on the HKEX website.

3. Under Rule 3.08, the Exchange expects directors, both collectively and individually, to fulfil fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. These duties include a duty to act for proper purpose and a duty to apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office within the issuer. Rule 3.08 also provides that at a minimum, directors must take an active interest in the issuer's affairs, and they must follow up anything untoward that comes to their attention.

4. Under Rule 3.09B(2), every director must use his best endeavours to procure the issuer to comply with the Listing Rules.

5. Under Principle D.2 of the Corporate Governance Code of the Listing Rules, the board of an issuer is responsible for ensuring that the issuer establishes and maintains appropriate and effective risk management and internal control systems.