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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)

**RESIGNATION OF AUDITOR
AND
CONTINUED SUSPENSION OF TRADING**

This announcement is made by S-Enjoy Service Group Co., Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rules 13.09(2) and 13.49(3) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

References are made to the announcements of the Company dated 31 March 2025 and 13 May 2025 in relation to, among other matters, the delay in publication of the 2024 Annual Results and 2024 Annual Report, the postponement of Board Meeting and the continued suspension of trading (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

RESIGNATION OF AUDITOR

The Board announces that, per the suggestion from the Board and the audit committee of the Company (the “**Audit Committee**”), PricewaterhouseCoopers (“**PwC**”) has resigned as the auditor of the Company with effect from 26 May 2025.

With reference to PwC’s resignation letter dated 26 May 2025 (the “**Resignation Letter**”), PwC has set out the matters leading to its resignation as the auditor of the Company, which PwC also believes should be brought to the attention of the Shareholders (the “**Relevant Matters**”), and are summarized as follows:

PwC verbally reported to the Audit Committee on 22 March 2025, and formally reported the same during the meeting of the Audit Committee on 31 March 2025, that during the process of performing audit on the financial statements of the Group for the year 2024, PwC noticed material matters in relation to certain fund transfer transactions between the Group and a related party, and PwC has also reported to the Audit Committee the impact of the aforesaid matters on the Group’s financial statements and the audit work, the particulars of which are as follows:

During the 2024 audit process, PwC has selected a sample of the bank accounts of the Group, and requested the management to provide the relevant bank statement records for conducting the fund transactions examination procedure. 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 (i.e. the transaction amounts and daily account balances were not reconcilable) for three bank accounts. After reporting the situation to the management, the management has provided another version of bank statement records for the said three bank accounts.

Through examination of the abovementioned bank statement records provided by the management, PwC found that there were fund transfers (“**Related Party Fund Transfers**”) between the Group and a related party of the Company in two of the selected bank accounts in 2024, the sum of the fund outflow and fund inflow in relation to the Related Party Fund Transfers involved respectively aggregated to RMB2.27 billion. In addition, PwC found that the aforesaid transactions of Related Party Fund Transfers were not accounted for in the relevant bank ledgers of the Group, and the Company had not followed the relevant approval and disclosure procedures as required for related party transactions. PwC requested the Company to explain the rationale of the aforesaid matters, the reason for not keeping accounting records, and the relevant approval and disclosure as required.

The Board subsequently established the Independent Investigation Committee on 25 March 2025 to conduct the Investigation on the aforesaid Related Party Fund Transfers, and engaged an independent investigation counsel on 16 April 2025 to advise the Independent Investigation Committee on the Relevant Matters.

Between 24 April 2025 and 16 May 2025, PwC had several meetings with the Independent Investigation Committee and/or the independent investigation counsel, and communicated on the background and competence of the independent investigation counsel and its team of expert, the initial plan of the proposed Investigation, the scope of the Investigation and the procedure and methodology of the Investigation. As of the date of the Resignation Letter, PwC understood that the procedure of the Investigation conducted by the independent investigation counsel was still on-going, and PwC had not received any information in relation to the findings of the Investigation.

Pursuant to the communication with and request of the Audit Committee, and based on the preliminary understanding on the plan of the independent Investigation, scope of the Investigation, and the procedure and methodology of the Investigation, PwC made an estimation on the additional time and audit fee required for the matter of the aforesaid Related Party Fund Transfers and the necessary audit procedure for the relevant independent Investigation. PwC submitted the quotation of the additional audit fee to the Audit Committee on 28 April 2025, and sent the quotation of the additional audit fee to the management of the Company on 13 May 2025.

The Company made a phone call to PwC on 15 May 2025, and informed PwC in writing on 17 May 2025, that as the Company does not accept the aforesaid quotation of the additional audit fee in relation to the matter of the Related Party Fund Transfers and relevant independent Investigation, for the purpose of pushing forward the audit work for the 2024 Annual Results and to avoid further unnecessary delay, following careful consideration of the Audit Committee and the Board, the Company suggested that PwC resigns as the auditor of the Company. PwC agreed to resign as the auditor of the Company, with effect from the date of the Resignation Letter (i.e. 26 May 2025).

As of the date of this announcement, the Board is not aware of any other matters in relation to the resignation of PwC that need to be brought to the attention of the Shareholders.

The Board would like to take this opportunity to express its sincere gratitude to PwC for its professional services rendered to the Group during the past years.

As of the date of this announcement, the Investigation is still on-going. Further, the Company is currently in the process of identifying a suitable replacement to fill the casual vacancy following the resignation of PwC. Further announcement(s) relating to the appointment of new auditor will be made by the Company as and when appropriate in accordance with 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 am 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, 27 May 2025

As at the date of this announcement, the Board comprises Mr. Qi Xiaoming, Mr. Yang Bo 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.