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NETJOY HOLDINGS LIMITED

云想科技控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2131)

INSIDE INFORMATION

KEY FINDINGS OF THE INDEPENDENT FORENSIC INVESTIGATION; AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Netjoy Holdings Limited (Stock Code: 02131) (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: (i) the announcements of the Company dated 31 March 2025 and 30 April 2025 in relation to, inter alia, the delay in publication of the 2024 Annual Results and 2024 Annual Report, and suspension of trading of the Company’s shares; (ii) the announcements of the Company dated 15 July 2025, 21 July 2025, 30 September 2025, 29 December 2025 and 30 March 2026 in relation to, inter alia, resumption guidance issued to the Company by the Stock Exchange and the quarterly update on status of resumption; (iii) the announcement of the Company dated 29 August 2025 in relation to delay in publication of the 2025 Interim Results and dispatch of 2025 Interim Report and further delay in publication of 2024 Annual Results and dispatch of 2024 Annual Report; and (iv) the announcement of the Company dated 30 March 2026 in relation to, inter alia, delay in publication of the 2025 Annual Results and dispatch of 2025 Annual Report and further delay in publication of 2024 Annual Results and 2025 Interim Results, and dispatch of 2024 Annual Report and 2025 Interim Report, the foregoing (i) to (iv) shall be collectively referred to as the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as used in the Announcements.

The purpose of this announcement is to provide the shareholders of the Company (the “**Shareholders**”) and potential investors of the Company with key findings of the report from the Investigation Firm dated 2 April 2026 (the “**Report**”) and the response of the Audit Committee and the Board to the Report.

A. SCOPE OF THE INVESTIGATION

The Investigation Firm was commissioned by the independent Audit Committee of the Company to examine unusual prepayments and abnormal refunds arising from a project undertaken by 樂推傳視(上海)信息技術有限公司 and 樂推傳品(涇縣)電子商務有限公司 (together “**Letui**”), wholly owned subsidiaries of the Company, under which Letui procured 3C electronic and digital products from upstream suppliers and subsequently sold them to the downstream customers (the “**3C Project**”).

The primary objective of the investigation was to (i) assess the nature of prepayments made to 北京智優集品科技有限公司 (“**Zhiyou**”) (i.e. Supplier A) and 矽堊(上海)投資管理有限公司 (“**Xiyao**”) (i.e. Supplier B) designated by the 北京瑞亞博創科技中心 (“**Ruiya**”) (i.e. Customer), (ii) evaluate the business rationale and commercial substance of these transactions, (iii) identify any potential misconduct or internal control deficiencies within the 3C Project, and (iv) analyse the reasons underlying the difficulties in recovering such pre-payments made (collectively, the “**Issues**”).

1. Major Procedures Performed

The Investigation Firm reviewed the transactions of the 3C Project for the period from 1 January 2024 to 31 December 2024, being the timeframe during which outstanding prepayments were made to direct suppliers of Letui at the time, namely, Zhiyou and Xiyao. To ensure a comprehensive review, electronic data review was extended to cover the period from 1 July 2022 (i.e. one month prior to the formal initiation of the 3C Project) to 31 March 2025. The investigation review covered a total of 14 current and former employees (including all Executive Directors at the time) of the Company or Letui who operated or were involved in the 3C Project as subjects of the investigation (the “**Target Employees**”).

The major investigation procedures the Investigation Firm performed include, but not limited to the following:

- (1) **Document & Transaction Review:** Examined project initiation records, customers and suppliers admission approvals, and transaction supporting documents (e.g., contracts, logistics, bank slips etc.) to check the business substance of both delivered and undelivered transactions.
- (2) **Document Cross-check:** Cross-checked bank statements (exported directly from online banking systems), payment approval records, accounting ledgers, and procurement documents.
- (3) **Financial Analysis:** Analysed available bank payment records and other procurement documents collected from key counterparties as supporting documents for the prepayments to identify suspicious fund outflows.

- (4) **Electronic Data Review:** Collected and processed electronic data (i.e., computer data, server email data, work-related WeChat conversation data, DingTalk data, etc.), performed data deletion analysis, and reviewed documents responsive to specific keyword search terms.
- (5) **Interviews:** Conducted interviews with relevant personnel, including current and former senior management, legal and finance staff, 3C Project operators, and two experienced industry participants to understand prevailing industry practices.
- (6) **Public Record Searches:** Performed public record searches on the Target Employees, affiliated companies, customer, suppliers, and their respective upstream suppliers to identify any potential connections between them, if any.

(collectively, the work performed by the Investigation Firm, the “**Investigation Review**”).

2. **Key Limitations of The Investigation Review**

During the course of the Investigation Review, the Investigation Firm has encountered certain limitations out of the Company’s control which may prevent them from identifying all information relevant to their review, these key limitations include:

- (1) Key external counterparties refused direct interviews and document requests due to on-going criminal investigation on the matters and civil litigation and criminal report commenced by Letui. The Company was further advised by its legal advisor that initiating or continuing direct communication with these counterparties may risk interfering with the ongoing criminal investigation and judicial proceedings. Accordingly, both the Company and the Investigation Firm ceased direct contact with these counterparties to avoid any potential obstruction of law-enforcement activities or prejudice to the ongoing judicial procedures.
- (2) One Target Employee who has subsequently left the Company/Letui refused to participate in direct interviews for personal reasons.
- (3) Data deletion analysis could not be performed on the Apple Mac computer of one key executive (a former executive director) due to hardware limitations. Two computers previously used by former employees had already been reassigned to other employees, and the original data stored on those devices had been overwritten.
- (4) Deleted server emails could not be exported due to email service limitations, and files deleted from 4 computers of the Target Employees cannot be recovered.

Alternative procedures have been performed as more fully elaborated below.

3. Alternative procedures conducted

- (1) Instead of obtaining information directly from the key counterparties and a Target Employee, the Investigation Firm relied on documents and electronic data provided by the Company/Letui as indirect source of information and cross-checked such materials against contemporaneous communication records, internal accounting ledgers, approval records and bank records.
- (2) As data deletion analysis could not be performed on the key executive's Apple Mac computer, the Investigation Firm conducted alternative procedures, including reviewing and analysing the computer data of the key executive's personal assistant, assessing the data volume on the key executive's device, and collecting and examining the key executive's server email data. The Investigation Firm also reviewed server email data of two departed employees whose devices were already reassigned to other employees.
- (3) The Investigation Firm reviewed and analysed the names and types of files deleted by the four Target Employees, identified files with potential relevance, and located and examined alternative copies of those deleted files where documents with similar names or content.

B. SUMMARY OF KEY FINDINGS

1. Original Business Model of the 3C Project

It was found that the 3C Project was initiated based on the following business model:

- (1) **3C supply chain market:** In the 3C electronics industry, major national distributors generally require full upfront prepayments for popular products, creating significant liquidity pressure on lower-tier distributors.
- (2) **Letui's role and business model:** Letui operated as an intermediary procurement agent by sourcing products from upstream suppliers designated by its customers, making full upfront prepayments and storing the goods in its designated warehouses, while allowing customers to pay for and collect the goods in batches within an agreed period (typically within 90 days). In return for providing liquidity support, product-selection advice and warehousing services, Letui earned an average markup margin of about 4%, subject to variation by product and other factors.

2. Initial Safeguards to Protect the Company

The Investigation Firm noted that, prior to launching the 3C Project, the Company's management implemented several core safeguards to manage the risks associated with making substantial prepayments to suppliers.

- (1) **Focus on High-Liquidity Products:** The 3C Project focused on highly standardised, high-liquidity products such as mobile phones and tablets, enabling Letui to liquidate inventory in the secondary market to recover capital if a downstream customer defaulted.
- (2) **Supplier Vetting:** The Company prioritised engaging highly qualified upstream suppliers, with a particular preference for those with a state-owned enterprise background.
- (3) **Customer Deposits:** Downstream customers were required to provide a 10%–20% security deposit before Letui placed orders, as a hedge against market price fluctuations.
- (4) **Joint and Several Liability:** Letui's contracts required downstream customers to assume joint and several liability for the performance obligations of their designated upstream suppliers.
- (5) **Goods Control Principle:** As a core risk-control measure, Letui was required to maintain strict physical control over the goods, with all products delivered to Letui-controlled warehouses and released only upon the customer's corresponding payment.

Furthermore, the internal "Supply Chain Procurement Business Guidelines" implemented by Letui in October 2023 required that, in situations where physical control of goods could not be obtained, the business team should treat the transaction as a special circumstance and conduct substantive procedures to verify further purchases made by Zhiyou and Xiyao, i.e. penetration of the upstream supply chain, by collecting and verifying underlying contracts and supporting documents.

3. 3C Project's business model aligns with existing industry practice

The Investigation Firm, based on interviews with experienced industry participants, noted that the 3C Project adopted a pre-existing and commonly used business model in the 3C electronics industry, reflecting accepted commercial practices with inherent commercial rationale, designated supplier arrangements, planned risk-control measures, and expected profitability.

4. Initiation of the 3C Project

It was found that the 3C Project business model was introduced by Mr. Hao Xu (“**Mr. Hao**”) in 2022, after which the Company’s management resolved in August 2022 to proceed with the project on the basis that it was expected to generate a reasonable profit margin relative to the Company’s other business lines. Mr. Hao subsequently joined Letui on 1 November 2022 as head of the project and, prior to his commencement, recommended his former colleague Mr. Yang Wenqiang (“**Mr. Yang**”), who joined on 18 October 2022 as project manager.

5. Supplier Transition in 2024

The Investigation Firm noted important changes to the 3C Project in 2024:

- (1) **Customer and direct supplier before 2024:** Since the 3C Project commenced in or around September 2022, Ruiya has been one of Letui’s customers. At the early stage of the project, Letui’s direct supplier was a state-owned enterprise that sourced 3C products from other upstream suppliers including Zhiyou.
- (2) **Change in direct supplier:** In late 2023, following PRC policy changes requiring state-owned enterprises to strictly avoid engaging in trade activities that deviated from their principal business, the state-owned enterprise ceased operating 3C products supply business. Ruiya then designated Zhiyou and Xiyao as replacements, which became Letui’s direct suppliers in December 2023 and April 2024 respectively.
- (3) **Transactions before 2024:** According to Letui’s data, approximately 94% of transactions by amount were mutually confirmed by the state-owned enterprise and Letui as duly delivered and completed, while the remaining around 6% of the total procurement amount was refunded to Letui due to supply shortages or price declines. There were no outstanding prepayment balance for transactions prior to 2024.

6. Abnormal refunds and unusual prepayment cycle identified

Following the aforementioned change in direct suppliers, it was found that the Company’s management failed to detect the emerging pattern of abnormal refunds and unusual prepayment cycles until August 2024:

- (1) **First discovery:** Following the resignation of Mr. Lin Qian (“**Mr. Lin**”) from his position as the CFO and Executive Director on 15 July 2024, Mr. Wang Chen (“**Mr. Wang**”), the former CEO and former Executive Director, assumed oversight of the finance and legal departments and identified abnormal refund patterns as compared to transaction patterns prior to 2024 in the 3C Project. He immediately instructed the legal department to investigate further, and on 6 August 2024 the legal department alerted him to a high risk of potential fund misappropriation and a suspected pattern of “repaying old debts with new funds” (details of which are explained below). The following day, the matter was reported to Mr. Xu Jiaqing (“**Mr. Xu**”), the Chairman and Executive Director.

- (2) **Immediate actions:** Upon identifying the suspicious circumstances, the Company conducted immediate onsite investigations against Ruiya, intercepted and blocked two new procurement contract approvals totaling approximately RMB200 million to prevent further losses. On 16 August 2024, Mr. Xu formally suspended the 3C Project.
- (3) **Outstanding prepayments:** As of 31 December 2024, the Company’s losses in the form of unutilised prepayments for procurement amounted to approximately RMB170 million.

7. **Fraudulent Scheme perpetrated by Ruiya, Zhiyou, Xiyao and Saideye Communication**

According to the findings of the Investigation Firm as well as the internal investigations conducted by the Company, the prepayments paid to Zhiyou and Xiyao intended for procuring 3C electronic products were allegedly misappropriated through a fraudulent scheme orchestrated by Letui’s customer and suppliers:

- (1) **Manipulating the Supply Chain:** 北京賽德燁通信技術有限公司 (“**Saideye Communication**”) was established in April 2024, with Mr. Guo Xinzhe (“**Mr. Guo**”), holding a 41% stake and serving as its manager. According to Mr. Hao, the de facto controller of both Saideye Communication and Ruiya was Mr. Guo Huiming (“**Mr. Guo Senior**”), Mr. Guo’s father. By June 2024, Saideye Communication had become the upstream supplier for both Zhiyou and Xiyao. In effect, and without the Company’s knowledge, Saideye Communication was inserted into the supply chain, creating a circular fund flow in which the upstream supplier and downstream customer were under common control.
- (2) **Bypassing Goods Control Principle:** Instead of the procured goods being delivered to the Company’s designated warehouses as dictated by the original business model, substantially all of 2024 transactions devolved into “self-pickup” orders at third-party warehouses that completely bypassed Goods Control Principle. This called in question whether the physical flow of goods in such transactions exists.
- (3) **Prepayments routed to customer:** After the Company made prepayments to Zhiyou and Xiyao, these suppliers retained a nominal fee of around 0.1% and immediately routed the remaining funds to hidden indirect suppliers, Saideye Communication and its affiliate, 北京賽德燁科技有限公司¹ (“**Saideye Technology**”) (together “**Saideye Entities**”). The majority of these funds were then routed by the Saideye Entities to Ruiya, creating a concealed circular flow of funds.

¹ Saideye Technology was established on 25 June 2008 with substantive business operations. It has no direct shareholding relationship or overlapping key personnel with Ruiya on paper. It first became involved in the 3C Project as an indirect upstream supplier to the former direct supplier, the state-owned enterprise, potentially starting around August 2023. It authorised Saideye Communication to use the “Saideye” trade name in March 2024.

- (4) **Funds misappropriated:** According to the information obtained from Mr. Guo Senior by the Company’s legal and finance teams, a substantial portion of the funds transferred to Ruiya was subsequently diverted by its de facto controller, Mr. Guo Senior, for his personal business ventures, including store openings, equity acquisitions, and external lending activities.
- (5) **Issuing refunds:** Probably to sustain the appearance of a functioning supply chain and obtain further funding, Ruiya routed portions of these newly received funds back to the direct suppliers to issue “refunds” for older, soon-to-be overdue orders, which appeared to be a classic “repaying old debts with new funds” cycle.
- (6) **Internal Misconduct:** This fraudulent scheme was significantly aggravated by the misconduct of the Company’s 3C Project business team, particularly the project head, Mr. Hao, and the project manager, Mr. Yang, who appeared to have deliberately concealed related-party risks between Saideye Entities and Ruiya from the senior management of the Company. Mr. Hao further exacerbated the situation by using unverified and misleading information that the procured goods would be “all warehoused” and had a “high safety factor” to fraudulently obtain the approval for increases in credit limits to Saideye Entities.

8. Analysis of Internal Control Deficiencies

Critical internal control lapses were identified for the 3C Project, characterised as neglect of duty and oversight deficiencies, which failed to timely identify associated risks and ultimately led to financial losses:

- (1) **Over-reliance on the Business Team and Lack of Independent Risk Control:** Risk management for the 3C Project relied almost entirely on the self-management and proactive reporting of the business team, led by Mr. Hao, who committed internal misconduct against the Company. The Company did not have dedicated internal control to monitoring the project independently. As risk management was delegated to the very team whose primary goal was to drive transaction volume, the risk monitoring was flawed and ineffective.
- (2) **Flawed KPI and Incentive Structures:** The performance evaluation and bonus structure for Mr. Hao and his business team were tied exclusively to financial metrics (specifically, monthly net profit). No weighting was given to risk control or compliance performance. This created a perverse incentive where the business team was highly motivated to push for maximum fund utilisation to artificially inflate short-term profits, deliberately ignoring and overriding the associated repayment and compliance risks.

- (3) **Deviation from Inventory Control:** The 3C Project business team failed to enforce Goods Control Principle, allowing Ruiya to engage in “self-pickup” for most of the orders in 2024 from third-party warehouses. The business team failed to report the inconsistencies between the actual and intended delivery locations to the legal and finance team. No independent teams to conduct on-site physical inspections or mandate video/photographic evidence of physical goods transfer, creating the opportunity for the customer to fabricate transactions without actual flow of physical goods.
- (4) **Disconnected IT and Financial Systems:** The Company’s warehouse entry and exit data was not automatically interfaced with its financial systems (the gradual transition to Kingdee only began in July 2024). The finance team relied entirely on manual bookkeeping at the end of each month based solely on documents handed to them by the business team. This lack of cross-verification meant the finance team blindly trusted the business team’s unverified inventory data.
- (5) **Failed “Upstream Penetration” Verification:** To mitigate risks arising from the lack of physical control over goods, internal policies required the business team to obtain “upstream penetration documents” (including purchase contracts and payment slips from direct suppliers to their upstream suppliers) and the legal team further requested that such “upstream penetration documents” check should be completed before releasing further prepayments. However, this safeguard was never incorporated into the written standard operating procedures or the payment-approval risk-review checklist. As a result, the policies were not implemented in practice, and substantial new prepayments continued to be approved despite no verification was performed for earlier orders.
- (6) **Superficial Supplier Due Diligence:** When onboarding the new direct suppliers, Zhiyou and Xiyao, the legal team performed background checks relying solely on public online databases. The business team failed to follow the legal team’s recommendations to conduct mandatory on-site visits to the suppliers’ offices to verify their actual business operations and personnel before commencing cooperation.
- (7) **Abuse of the Credit Limit Override Process:** While company policy required special approval for orders exceeding established credit limits, in practice, these protocols were bypassed or abused. Project head Mr. Hao was able to initiate requests for massive credit increases (such as the “618” promotional project) using entirely unverified information — falsely claiming goods would be safely stored at the warehouse — which misled the Company’s management into approving ten of millions in excess prepayments without rigorous secondary verification.

- (8) **Exclusion of the Legal Team from Payment Approvals:** While the legal team was responsible for assessing credit limits and evaluating initial project risks, they were excluded from the actual payment approval process. Consequently, the legal team could not enforce risk controls in advance of payments or block suspicious transactions in real-time, leaving them only able to issue warnings after funds had already been disbursed and losses incurred.
- (9) **Absence of Clear Escalation Protocols:** The Company lacked defined standards for escalating critical incidents to senior management. When the Legal Business Partner (“**Legal BP**”) discovered the severe risk that Saideye Communication was an indirect supplier of the 3C Project which shared the exact same ultimate controller with the customer Ruiya on 12 June 2024, he only issued a warning to the business team and the Finance Business Partner (“**Finance BP**”) on 14 June 2024. Because there was no protocol requiring him to escalate this to the Board or senior management, the critical red flag was contained at the lower operational level, delaying executive intervention.

9. Assessment of Management and Employee Integrity

(1) *Individuals with Severe Integrity Issues, Active Concealment and Conflicts of Interest*

Based on the findings in the Report, the Board and the Audit Committee held the view that the core business team actively engaged in deceptive practices, constituting severe integrity and competence failures:

- **Mr. Hao (3C Project Head):** He committed serious derelictions of duty and repeatedly violated core procedures. Despite knowing that a large volume of goods was being “self-picked up” by downstream customers, contrary to the 3C Project’s Goods Control Principle, he failed to report this deviation to management. He deliberately misled senior management and the legal team by falsely claiming that all goods would be stored in the warehouse in order to secure credit-limit increases. He consistently failed to conduct required upstream-supplier penetration verification as required and actively concealed the critical risk that Saideye Communication (the indirect supplier) and Ruiya (the customer) shared the same de facto controller. He also maintained severe undisclosed conflicts of interest, including involvement in a downstream buyer that purchased phones from Ruiya’s affiliates and personal financial dealings with Ruiya’s controller, Mr. Guo Senior. He is strongly suspected of knowing and concealing Mr. Guo Senior’s plan to misappropriate the 3C Project funds.
- **Mr. Yang (3C Project Manager):** Yang also committed serious derelictions of duty. He was aware of and concealed the shared-controller risk between Saideye Communication and Ruiya, failed to take action when upstream-supplier penetration documents were not provided, and concealed his conflict of interest regarding his participation in the downstream buyer purchasing phones from Ruiya.

(2) *Individuals with Dereliction of Duty but NO Integrity Issues*

Based on the findings in the Report, the Board and the Audit Committee held the view that several senior managers and staff members failed to perform their duties effectively, demonstrating weak risk awareness or poor management, but the Investigation review found no evidence of their deliberate concealment, integrity issues, or active participation in the fraudulent scheme:

- **Mr. Lin (Former CFO & Former Executive Director):** He failed in his duties as the head of the finance and legal departments. Although he recognized risks and promoted new risk control policies (such as upstream-supplier penetration verification), he failed to ensure these were actually implemented in the financial approval process. He also failed to detect the abnormal surge in supplier refunds after March 2024 and report these risks to the Board. Despite these management failures, no evidence of deliberate concealment was identified, and no integrity issues were found. Mr. Lin left the Company on 15 July 2024 upon the expiry of his contract.
- **Ms. Zha Lijun (“Ms. Zha”, Former Senior Vice President and Former Executive Director):** As the management representative overseeing the 3C Project, she demonstrated management deficiencies, weak risk awareness, and failed to effectively fulfill her managerial responsibilities regarding the operation of the 3C Project. In particular, she failed to give necessary attention and oversight to the key risk control points (such as Goods Control Principle). She overly relied on Mr. Hao’s reporting without independent verification. However, because she did not deliberately conceal information and actively led efforts to recover losses once the fraud was discovered, no integrity issues were found.
- **Ms. Fang (Finance BP):** She approved massive prepayments after 14 June 2024 without verifying the required upstream penetration documents. Her dereliction was attributed to a lack of risk awareness and poorly defined written approval requirements, rather than an integrity issue.
- **Mr. Shen (Legal BP):** He was the first to identify the shared-controller risk between Saideye Communication and Ruiya but failed to realize its severity and did not escalate the warning to senior management. This was deemed a dereliction of duty due to insufficient risk awareness, but not an integrity issue.
- **Ms. Li Ting (“Ms. Li”, Sales Specialist & Assistant to Ms. Zha):** Although she noticed certain anomalies in the 3C Project, she failed to identify the underlying risks, continued to follow Mr. Hao’s instructions, and did not escalate the issues. Her conduct reflected weak risk awareness rather than any integrity concerns.

(3) *Other Senior Management with No Integrity or Competence Issues*

Based on the findings in the Report, the Board and the Audit Committee held the view that the following senior management personnel were cleared of any integrity or competence issues:

- **Mr. Xu Jiaqing (Chairman and Executive Director) and Mr. Wang (Former CEO and Former Executive Director):** Both executives were cleared of any integrity or competence issues. They were deliberately kept in the dark by Mr. Hao's misleading reports and the lack of escalation from the legal/finance teams. Once they were made aware of the anomalies (Wang Chen in July 2024 and Xu Jiaqing in August 2024), they took immediate and proactive steps to investigate the matter, halt payments, and formally suspend the project.

10. Remedial Actions Implemented and Legal Proceedings

The Company has taken the following measures to recover losses suffered by the Group and rectify the internal control deficiencies:

(1) *Complete Termination of the 3C Project*

The 3C supply chain business was formally suspended on 16 August 2024 and has since been entirely terminated, with the project team completely disbanded.

(2) *Personnel Restructuring*

- **Dismissals and Resignations:** Mr. Yang (3C Project Manager) and Ms. Sun (3C Project Business Specialist) resigned in June and May 2025 respectively. Mr. Hao (Head of the 3C Project) was formally dismissed on 31 July 2025. Ms. Yang (Sales Assistant) was reassigned to other advertising-related duties before departing on 30 January 2026.
- **Removal from Original Roles:** Ms. Zha (Former Senior Vice President and former Executive Director) was removed from business management to focus solely on government relations and subsequently resigned from her executive roles on 23 January 2026. Ms. Li (Sales Specialist and Assistant to Ms. Zha) was transferred from sales to administrative duties, and Ms. Fang (Finance BP) was reassigned to a standard accounting role. All of them were fully stripped of any authority over payments or operational decision-making.

(3) *Debt Recovery and Guarantee Arrangements*

Between September 2024 and March 2025, the Company's management actively negotiated with the counterparties for repayment.

- **Guarantees Secured:** On 25 February 2025, Ruiya and 12 guarantors signed a Guarantee Contract in favour of Letui, assuming joint and several liabilities for the refund obligations of the direct suppliers, Zhiyou and Xiyao.
- **Equity Pledges:** On 8 March 2025, the Company executed a Repayment Plan and an Equity Pledge Agreement, successfully pledging the equity of Ruiya and the indirect supplier, Saideye Communications, to the Company.
- **Recovered Funds:** Through these sustained pressure and negotiation efforts, the Company managed to recover a total of RMB7 million in refunds from Zhiyou by June 2025. After accounting for the funds recovered from Zhiyou and deposit offsets, the amount of outstanding and unrecovered prepayments as of to date is approximately RMB141 million.

(4) *Legal Proceedings*

When Zhiyou failed to comply with the agreed repayment plan after March 2025, the Company escalated its recovery efforts through formal legal and criminal channels:

- **Civil Litigation:** In mid-June 2025, Letui engaged external PRC lawyers and formally initiated civil litigation proceedings against Xiyao, Zhiyou, and Ruiya.
- **Criminal Report:** On 17 July 2025, Letui filed a criminal report with a public security bureau, reporting Ruiya's actual controller, Mr. Guo Senior and Mr. Guo of suspected contract fraud. The public security bureau formally accepted the report on 24 July 2025 and officially filed the case (立案) for criminal investigation on 12 September 2025.

(5) *Independent Forensic Investigation*

Following concerns raised by the Company's auditors, the Company's Audit Committee officially engaged the Investigation Firm on 14 April 2025 to conduct a comprehensive investigation into the 3C project's anomalies and internal control deficiencies.

(6) *Internal Control Review*

In November 2025, the Board engaged an independent consultant to conduct a comprehensive review of the Group's internal controls, recommend corrective actions, and assess the effectiveness of the enhanced controls. The consultant has begun a thorough evaluation of the design and execution deficiencies identified in the Report. The Company aims to implement the recommended rectification measures and complete follow-up assessments within three months of the final report, including overhauling internal control policies, strengthening ongoing supervision of their implementation, and providing regular compliance training to all relevant employees.

11. Views of the Board and the Audit Committee

The Board and the Audit Committee have reviewed the contents of the Report and believe that the findings of the Report are reasonable and adequate to address the audit issues as announced by the Company on 31 March 2025 raised by the Company's auditors and the Issues mentioned above.

The limitations to the Investigation Review as identified were addressed by the alternative procedures conducted and the Board and the Audit Committee agree that such alternative procedures have adequately addressed the aforementioned limitations identified in the Report and do not materially affect the reliability of the findings and conclusions of the Report.

Following the restructuring on the Group's personnel involved in the 3C Project by way of dismissals, resignations and reassignment of duties, individuals identified as having failed to properly discharge their responsibilities no longer hold any positions nor participate in any processes relating to business management and payment approvals. As such, the Board and the Audit Committee are of the view that, with the implementation of appropriate training and other remedial measures to be recommended by the Company's internal control consultant, adequate safeguards will be established to prevent recurrence of the Issues.

C. CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company remains subject to the conditions set out in the Resumption Guidance. Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

The Company will make further announcement(s) in accordance with the Listing Rules as and when necessary, in relation to any update in connection with the above.

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

Shanghai, the PRC, 2 April 2026

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