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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 INTERNAL CONTROL REVIEW
AND
CONTINUED SUSPENSION OF TRADING

This announcement is made by Netjoy Holdings Limited (the "**Company**", together with its subsidiaries and consolidated affiliated entities, the "**Group**") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**") and the Inside Information Provisions (as defined under 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; (iv) the announcement of the Company dated 30 March 2026 in relation to, inter alia, delay in publication of the 2025 Annual Results and 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; and (v) the announcement of the Company dated 2 April 2026 in relation to, inter alia, the key findings of the independent forensic investigation and continued suspension of trading (the above announcements are collectively referred to as the "**Announcements**"). Unless otherwise defined, capitalized terms used herein shall have the same meanings as used in the Announcements.

BACKGROUND

As disclosed in the announcement dated 15 July 2025, the Stock Exchange issued Resumption Guidance to the Company on 8 July 2025 in relation to the resumption of trading in the Company's shares. Among other conditions, the Company shall "conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules".

In response to the Resumption Guidance and to further enhance the Group's internal controls, the Company engaged the Internal Control Consultant to conduct an independent review of the Group's internal control procedures (the "**Internal Control Review**"). The Internal Control Consultant conducted a comprehensive review on the internal control system and procedures of the Group, the scope of which mainly included the following eight areas, for the review period from 1 January 2025 to 31 December 2025.

The Internal Control Consultant assessed whether the relevant internal control procedures were implemented as designed through (i) interviews with relevant management and key process controllers; (ii) walk-through tests on the internal control measures within the scope of the review; and (iii) substantive testing on a sample basis on major internal control measures.

On 22 June 2026, the Internal Control Consultant submitted an internal control review report in relation to the Internal Control Review together with rectification recommendations for the Group (the "**Internal Control Review Report**") to the audit committee and the Board. The Internal Control Review Report contains, inter alia, the findings of the Internal Control Review, the recommendations of the Internal Control Consultant, and the rectifications made by the management of the Group by adopting the recommendations of the Internal Control Consultant for each finding and the expected completion dates.

SUMMARY OF THE KEY FINDINGS OF THE INTERNAL CONTROL REVIEW

During the Internal Control Review, the Internal Control Consultant identified the following deficiencies and proposed rectification recommendations to the management of the Group. The Group has responded to the relevant recommendations of the Internal Control Consultant and has adopted appropriate measures. The rectification measures are expected to be completed on or before 30 June 2026.

Set out below are (i) the key findings of the Internal Control Review; (ii) the rectification recommendations of the Internal Control Consultant based on the findings; (iii) management's response; and (iv) the expected completion dates of the rectifications.

I. Internal Control at the Enterprise Level (COSO)

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
1.1	Charter and rules of procedure of the Board	Although the Company convened more than four Board meetings in 2025 in accordance with the requirements of Appendix C1 to the Listing Rules of the Hong Kong Stock Exchange, and all of the procedures for Board meeting notifications, meeting arrangements and document archiving satisfied the relevant compliance requirements, the current written Charter and Rules of Procedure of the Board (《董事會章程及議事規則》) failed to be amended to fully align with the regulatory requirements of Appendix C1 to the Listing Rules.	It is recommended that the management revise the Charter and Rules of Procedure of the Board as soon as possible in accordance with Appendix C1 to the Listing Rules, to clearly stipulate that the Board should hold at least four regular meetings per year (approximately once a quarter), that at least 14 days' notice should be given for regular meetings, and that meeting agenda and documents should be sent to all directors at least three days before the Board meeting.	The Charter and Rules of Procedure of the Board are being revised in accordance with the relevant provisions of Appendix C1 to the Listing Rules. Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
1.2	Internal audit mechanism	The Company had not established an internal control and internal audit department at the group level, and the relevant functions of internal audit were carried out individually by departments such as the risk control department and finance department. The relevant work mainly focused on customer risk and credit management, and no comprehensive and systematic risk and internal control assessment was conducted. Moreover, no standardized and documented policies on the duties and working procedures for internal control and internal audit was established. Since March 2026, the Company has established an internal control and internal audit department and set up an independent supervision mechanism, which is responsible for coordinating and promoting the rectification of internal control deficiencies.	It is recommended that the management improve the overall internal control and internal audit organizational structure of the Group, clearly define the responsibilities, authority and reporting channels of the internal control and internal audit department, and establish a documented mechanism for annual internal control review, rectifying deficiencies and tracking the management on a closed-loop basis. The core aspects include: specifying the functions, responsibilities and authority of the internal audit department; establishing the communication mechanism with external auditors; standardizing the requirements for day-to-day monitoring by management; standardizing the identification standard of internal control deficiencies and the management of risk assessment; reviewing the internal control system of the Group and reporting the progress of internal control supervision to the audit committee on a regular basis.	The Internal Audit Policy (《內部審計制度》) and the description of job duties are being established in accordance with the relevant provisions of Appendix C1 to the Listing Rules. Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
1.3	Corporate governance reporting policy	The current Corporate Governance Reporting Policy (《企業管治報告制度》) had not been updated in accordance with the latest requirements of the Corporate Governance Code set out in Appendix C1 to the Hong Kong Listing Rules. It contains incorrect references (Appendix 10 should be corrected to Appendix C3) and omissions of key provisions in Sections B/E/H. It contains outdated provisions which were not fully in compliance with the regulatory requirements for listing.	It is recommended that the management comprehensively revise and improve the current Corporate Governance Reporting Policy in accordance with the latest requirements of Appendix C1, correct the wrong references and incorporate the missing clauses. The revised version should be submitted to the Board for consideration and approval, ensuring that the contents of the policy fully comply with the regulatory requirements for listing.	The Corporate Governance Reporting Policy is being revised in accordance with the relevant provisions of Appendix C1 to the Listing Rules. Expected completion date: 30 June 2026.
1.4	Risk management	The Risk Management Policy (《風險管理制度》) of the Company was released without approval from the management, and certain requirements in the written policy were not properly followed, such as compiling risk inventory, risk analysis tables, regular risk reviews and self-assessments of risk control. At the prevailing time, the Company's risk management was carried out individually by each business line and the legal department, each carrying out risk management and control in the corresponding fields by itself. No unified, comprehensive or co-ordinated risk management policy had been established at the group level.	It is recommended that the management comprehensively check and optimize the Risk Management Policy, establish a risk management mechanism that matches the actual business of the Company, carry out comprehensive risk assessment and risk control self-assessment at least once a year in strict accordance with the requirements of the policy, refine the approval process, and maintain complete supporting documentation for filing. In addition, the management should refine the approval process of the Risk Management Policy, including procedures such as approval, sign-off, and effect of announcements by the Board or the management, and specify the official effective date of the policy.	External firm is engaged to complete the Company's 2025 annual risk inventory review and the 2025 self-assessment report on internal control. The Risk Management Policy will be revised to remove inapplicable clauses. Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
1.5	Reporting on significant events	The Company had not established a complete internal control mechanism for significant events, nor had it established internal reporting, approval, circulation and record keeping management procedures. The internal reporting channels, responsible departments and reporting time limit for significant events are not specified. With exception in external investment matters, quantifiable trigger thresholds for significant events (such as amount threshold, significant budget deviation, exceeded credit limits, sensitive business matters and other key judgment basis) had not been formulated for operations, finance, business, risk control and other fields.	It is recommended that the management establish a standardized internal management and control system for significant events that covers all business, finance, risk control and operational matters of the Company, clarify the full-process management of significant events from identification, reporting, decision-making to follow-up and record keeping, and formulate quantitative trigger thresholds. The full process for internal management of significant events should be clearly defined, including reporting channels, responsible departments, reporting time limit and approval authority of all matters. The audit committee and the internal control and internal audit department should take the lead in regularly conducting special inspections and reviews of the identification accuracy, timeliness of reporting and compliance of approval procedures for significant events.	The Process for Reporting on Significant Events is being drafted and published with reference to the recommendations, clarifying the types of significant events, the process for reporting and identification, and establishing an escalation reporting process. Expected completion date: 30 June 2026.
1.6	Financial reporting	The management reports financial and operating data to the Board on a monthly basis without formal written records (such as e-mails or minutes, etc.) to ensure strict compliance with the requirements of code provision D.1.2 in Appendix C1 to the Listing Rules.	It is recommended that the management establish a monthly reporting mechanism to the Board, and regularly submit to the Board with a full set of operating information such as financial and operating data, overall operating performance, explanation of financial position and business prospects (e.g. by email) on a monthly basis, ensuring that the Board can keep abreast of the Group's operating conditions. After each business review meeting, a formal written business report or formal minutes should be prepared and archived uniformly.	The finance department submits the Monthly Financial and Operational Report (《財務經營月報》), which is compiled by the investment affairs manager and sent to the Board for review. Completed as of 31 May 2026.

II. Procurement and Accounts Payable and Payment Management

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
2.1	Supplier admission	In the advertising business line, there were instances where the contract signing dates were earlier than the dates of initiation of the supplier admission and policy application process (mainly due to the transitional arrangement during the launch and commissioning of the SRM system). A sample check of existing suppliers in the e-commerce business line revealed that their initial supplier policy statuses in the SRM system all showed as expired, and some suppliers had not completed the approval of the new policy or the update of supplier ratings.	It is recommended that the management clearly regulate the handling of historical special circumstances arising from the launch transition period of the SRM system, and strictly eliminate the problem of process inversion. The e-commerce business line needs to carry out a comprehensive review and verification of existing suppliers, re-initiate the supplier admission and policy filing and review process within a time limit, and activate the system's supplier policy expiry alert function to continuously ensure the validity of supplier cooperation qualifications, risk ratings and settlement policies.	The full lifecycle management of suppliers is uniformly managed and controlled with the SRM system. For historical special circumstances, the management has clearly regulated the handling procedures and completed rectifications within a time limit. Completed as of 31 May 2026.
2.2	Identification of connected transactions	Although the Company had the Connected Transactions Management Policy (《關連交易管理制度》) in place, regularly collected data of connected persons from directors, substantial shareholders and senior management, and updated the list of connected persons, it had not systematically established a comprehensive application mechanism for the list of connected persons. No procedures had been implemented to compare against the list of connected persons during the admission review process of new suppliers and new customers, and connected transactions monitoring had not been extended to cover the entire third-party admission process.	It is recommended that the management establish a mechanism for applying the list of connected persons, incorporate comparison against the list of connected persons as a mandatory step in the admission of new suppliers and new customers, and maintain comparison records to prevent the risk of unidentified connected transactions from the source. A regular review mechanism should also be established to compare and check the list of existing suppliers and customers against the list of connected persons, and to timely update the information of connected persons and the contents of the list to ensure the full-process compliance with connected transactions control.	The investment affairs manager circulates the collected list with the head of the legal risk control team at least once per year. The legal risk control team checks the list of connected parties during supplier admission, identifies connected transactions, implements the procedures in accordance with the Connected Transactions Management Policy (《關連交易管理制度》), and simultaneously notifies the investment affairs manager and the person in charge of finance. Completed as of 5 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
2.3	Written management policy of procurement process	The existing policy in the e-commerce business line had not established a written management policy tailored to the business characteristics of each business line for the approval of procurement applications, placement of purchase orders and tracking. No policy and unified standards were formulated for related business activities.	It is recommended that the management improve the existing policy having taken into account the business nature and control needs of e-commerce business line, develop supplementary written policy related to procurement application approval and purchase order management and clarify the operating standards, approval requirements and division of responsibilities of each link to ensure that every procurement stage is governed by clear rules and key control points are effectively executed.	The Group Corporate Payment Approval Policy (《集團對公支付審批制度》) will be updated and issued. The Third Party Warehousing Management Policy (《第三方倉儲管理制度》) for e-commerce is being supplemented with provisions relating to purchase applications and goods receipt inspection. Expected completion date: 30 June 2026.
2.4	Payment application process policy	In 2025, the Group made several adjustments and changes to the payment application process, and different payment approval procedures were used for the same transaction. The Financial Management Process Standards of the Group (《集團財務管理流程規範》) had not yet been officially released.	It is recommended that the management improve and issue the Financial Management Process Standards of the Group as soon as possible, clearly setting out the unified implementation standards for payment processes, clearly defining the applicable circumstances for different payment processes, and eliminating the use of different payment processes for the same transaction.	The Group Corporate Payment Approval Policy will be updated and issued to stipulate the authority for payment approval, system processes are also being updated. Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
2.5	Procurement acceptance and accounting process	In the actual implementation of the short drama production projects of the digital entertainment business line, phased acceptance procedures and maintenance of the relevant acceptance proof documents were not strictly followed. No formal acceptance filing materials were maintained in the finishing stage, and only some WeChat communication records instead of formal filing materials such as standardized acceptance forms were kept in the final delivery stage. Accounts payable were not recognized and recorded in a timely manner according to the agreed progress milestones in the contract, but were instead processed collectively at the end of the month when the episodes were launched.	It is recommended that the management standardize the phased acceptance management for short drama production programs, uniformly formulate standardized templates for the acceptance forms of the three stages (preparation, finishing and final delivery) and the producer scorecards. The acceptance document checklist, responsible persons and verification standards for each phase should be clearly defined, requiring that each payment milestone must be supported by complete and standardized acceptance filing documentation. The accounting treatment of short drama production projects should be standardized, ensuring that accounts payable and corresponding production costs are recognized promptly upon completion of each milestone as contractually agreed.	The procurement business of new short drama has been discontinued, and there will be no further issues concerning the relevant acceptance and accounting. Completed as of 31 May 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
2.6	Prepayment management	Prepayments for procurement in the e-commerce business line were not separately recorded as prepayments in the period when payment was made, but were instead recognized collectively at the end of the month, resulting in a substantial mismatch between the accounting treatment and the actual business. At the prevailing time, the system had no ledger for supplier prepayment balance, no regular prepayment reconciliation mechanism, and no ageing analysis and management of prepayments, making it impossible to track in real time the outstanding prepayment balances, unwritten-off prepayments and fund utilization of each supplier. In addition, the Company relied on the backend of suppliers' systems to check prepayment balances, track goods and write off prepayments, but had not established an effective mechanism for verifying and reconciling incoming goods, making it impossible to ensure that all goods corresponding to prepayments made during the current period had been received and listed as inventory within the corresponding accounting period.	It is recommended that the management standardize the accounting treatment of e-commerce prepayment, strengthen the configuration of accounts and processes within the ERP system, and ensure that procurement prepayments are separately recorded upon payment under the prepayment account. The finance business partner ("**finance BP**") should establish a ledger for supplier prepayment balance, recording the prepayment made, amounts offset against goods received and outstanding balance for each supplier on a monthly basis, regularly reconcile with suppliers, and carry out monthly ageing analysis of prepayments. Specific follow-up and clean-up efforts should be made in relation to prepayments which have remained unwritten off for an extended period or for which goods have not been shipped for a long time.	The configuration of accounts and processes within the ERP system is being optimized to ensure that procurement prepayments are separately recorded upon payment using the prepayment account. E-commerce finance BP will establish a ledger for supplier prepayment balance, recording the prepayment made, amounts offset against goods received and outstanding balance for each supplier on a monthly basis, regularly reconcile with suppliers, and carry out monthly ageing analysis of prepayments. Specific follow-up and clean-up efforts are being made in relation to prepayments which have remained unwritten off for an extended period or for which goods have not been shipped for a long time. Expected completion date: 30 June 2026.

III. Distribution Management

In this review, no internal control deficiencies were identified in the scope of distribution management.

IV. Inventory Management, including Logistics Arrangements

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
4.1	Inventory management policy and process	In the current Third Party Warehousing Management Policy, standardized written operation procedures for key processes such as inventory transfer and allocation management and inventory write-offs had not yet been established. The inventory transfer and allocation operations are mainly initiated in the warehouse system by e-commerce department staff, while inventory write-offs require approval from a supervisor via WeChat; neither of these processes had a formal, pre-established written approval procedure in place.	It is recommended that the management revise and improve the Third Party Warehousing Management Policy as soon as possible to add key standardized operation procedures for inventory transfer and allocation management and inventory write-offs, and clarify operating standards, implementation guidelines, roles and responsibilities, approval steps and exception handling requirements for each process. It should also be stipulated that all inventory transfer and allocation and write-off operations must be subject to online/written approval before execution, and that files such as approval records and supporting documents for write-offs should be kept properly.	The Third Party Warehousing Management Policy has been revised and improved to add procedures for inventory transfer and allocation management, and clearly define the inventory write-offs process. The relevant procedures are implemented in accordance with the policy. Completed as of 15 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
4.2	Inventory stocktaking	In practice, the Company only carried out monthly stocktaking, and failed to conduct weekly spot checks as required by the policy in 2025. Although online stocktaking records were kept for the monthly stocktaking, the information of the stocktakers and the stocktaking supervisors were not recorded, making it impossible to confirm whether the stocktaking was performed with two or more persons, and the effectiveness of the stocktaking process was in doubt. In addition, although the Company has carried out monthly and annual inventory stocktaking and investigated the discrepancies, it did not properly maintain written records of discrepancy investigations, nor did it classify and analyze the reasons for the discrepancies.	It is recommended that the management approve and publish the revised 2026 version of the Third Party Warehousing Management Policy to clarify the effective date of the policy and ensure that warehouses and all relevant employees strictly implement the requirements of the new policy, including the quarterly full stocktakings as prescribed by the policy. Stocktaking forms and ledgers should be improved to clearly record the relevant information of the stocktakers and stocktaking supervisors with signed confirmation. Complete written records of discrepancy investigations should be maintained, with each discrepancy individually documented, categorized and analyzed by underlying cause, and targeted corrective measures should be developed to prevent recurrence of similar discrepancies.	The Third Party Warehousing Management Policy has been revised and improved, clarifying the stocktaking frequency, and requiring third-party warehousing service providers to perform monthly stocktakings and submit stocktaking reports, specifying the format of stocktaking forms and the roles of counters/supervisors. Complete discrepancy investigation records has been maintained, analysis has been made on the causes of each inventory discrepancy by category, with targeted corrective measures developed and a stocktaking report issued to relevant personnel by email. Completed as of 15 June 2026.
4.3	Warehouse inbound/outbound accounting management	At the end of the month, the financial end of the e-commerce business line only aggregated inbound and outbound data of the entire month for collectively accounting entry, with only the overall total quantities and total amounts entered. No line-by-line accounting was performed for each individual transaction, making it impossible to retroactively match the total book amount to the corresponding purchase orders and sales orders. This makes daily book-to-physical reconciliations, inventory abnormality checks and cost accounting more difficult.	It is recommended that the management optimize the accounting treatment for inventory inbound and outbound by recording detailed documents one by one according to products, batches, quantities and unit prices in the Kingdee (金蝶) system, with linkage to the numbers of the corresponding purchase orders and sales orders to ensure that every inventory movement can be accurately traced. At the same time, the system process configuration should be improved by adding an approval mechanism of inbound and outbound documents to ensure the timely generation of accounting records when inventory movements occur.	Communication has been made with Kingdee to develop related system functions, enabling one-to-one linkage and traceability among purchase orders and batches, models and price details of inbound receipts. Completed as of 15 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
4.4	Refund without return	In the e-commerce business line, there have been cases where customers applied for a refund but did not return the goods. These matters have not been separately recorded, followed up or accounted for in a timely manner. There was a lack of pre-control and active processing mechanism, and no standardized procedures have been established for accountability, deductions, bad debt write-offs, or recovery.	It is recommended that the management maintain the relevant management approval documents, reason explanations and filing materials completely for refunds where the goods are not required to be returned. Copies of relevant refund approval documents, explanation for not requiring the return and documents for reference should be simultaneously copied to the financial department to facilitate the financial department to complete the accounting adjustment for inventory, income and receivables/payables in a timely and accurate manner. A standardized accountability and handling mechanism should be established. Where the amount is genuinely irrecoverable, the finance department should be notified simultaneously for loss accounting treatment.	The Company is analyzing the reasons, supervising the accuracy of logistics data, and establishing a tracking and handling mechanism for relevant incidents. For the "refund without return" cases that have already occurred, the Company is seeking to recover the corresponding payment or the goods from the customer. Where the amount is genuinely irrecoverable, a list will be provided to the finance department simultaneously for loss accounting treatment. Expected completion date: 30 June 2026.

V. Cash and Investment Management

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
5.1	Cash and cash management policy	The current Monetary Fund Management Policy (《貨幣資金管理制度》) had not established standardized written operation procedures for the following key areas: (i) liquidity management, including liquidity management policy and operation procedures. Currently, day-to-day operations rely only on internal practices, and no emergency reporting mechanism for cash flow risks had been established; and (ii) borrowing management, including the pre-application, needs assessment and approval process for individual borrowings, and the mechanism for setting different approval thresholds according to the amount of borrowing with corresponding approvers and for compliance with each loan debt contract.	It is recommended that the management improve the Monetary Fund Management Policy as soon as possible based on the actual business of the Company to clarify the operating standards, roles and responsibilities, approval procedures and other mechanisms for liquidity management and borrowing management. Once improved, it should be officially released after approval by the management and circulation procedures to ensure that relevant personnel understand the operating standards, roles and responsibilities and approval mechanism for the relevant core processes.	The Company will complete the updating of the Monetary Fund Management Policy by incorporating requirements for the borrowing application process, wealth management product purchase application process, cash flow calculation and cash flow planning policies, and account opening and closing procedures, and strictly implement the requirements of the policies. Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
5.2	Management of financial products	The Company has not yet established a unified and formal group-wide policy for the procurement and special management of financial products, nor has it clearly defined the entry conditions for various financial products, such as the corresponding upper limits, term requirements and risk levels, or standardized the key processes such as project initiation, approval, decision-making and document archiving.	It is recommended that the management strengthen the existing Monetary Fund Management Policy by clearly defining the scope of application, responsible department and tiered approval rules for low-risk financial products such as time deposits and bank wealth management products, and clarifying the division of duties between the finance department and the investment department. For wealth management and idle fund preservation activities, a standardized process for initiation, approval, decision-making and document archiving should be established, with approvals obtained at the appropriate level according to the amount or product type, ensuring that all fund investment activities are fully traceable and verifiable.	The Company is completing the update of the Monetary Fund Management Policy by incorporating the application process for wealth management product purchases, and strictly implement requirements of the policy. Expected completion date: 30 June 2026.
5.3	Approval and variance analysis of cash flow planning	At the prevailing time, the Company had not formulated the written approval management procedures corresponding to the Cash Flow Projection Report (《資金測算表》), and had not specified the review and approval process and responsibilities of the cash flow calculation data. At the same time, the audit and approval records of the Cash Flow Projection Report have not been standardized and archived, nor has a cash flow budget deviation analysis mechanism been established, and the reasons for the difference between the actual cash flow and the calculated data have not been regularly reviewed and followed up.	It is recommended that the management establish and improve the supporting policies of cash flow budget and liquidity management, formulate a standardized written process for the preparation and review of the Cash Flow Projection Report to improve the approval traceability and regular archiving management and ensure that the cash flow calculation data is confirmed by hierarchical review; and establish a cash flow budget deviation analysis mechanism to regularly compare the difference between the measured data and the actual cash received and paid, analyze the underlying causes of deviations and keep relevant written records.	The Company is completing the update of the Monetary Fund Management Policy by adding the cash flow calculation and cash flow planning policies. It is also establishing a deviation analysis mechanism for cash flow budget to regularly compare the difference between projected and actual cash receipts and payments. Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
5.4	Bank account opening and account management	The bank account opening workflow has been updated and migrated to the OA system of DingTalk (釘釘) for online processing, but changes on the abovementioned new account opening procedure has not been updated to the Monetary Fund Management Policy, resulting in inconsistency between the current policy and the actual operation process. In addition, the account cancellation business failed to perform the standardized review and approval process according to the requirements of the policy. For account cancellation in the Company, only WeChat communication records between the financial personnel and the chief financial officer about the account cancellation arrangement were kept. No formal written account cancellation application was initiated in accordance with the Monetary Fund Management Policy nor was a periodic account clearing assessment mechanism established.	It is recommended that the management improve the Monetary Fund Management Policy as soon as possible, and synchronously update the requirements of online OA approval procedure, operation specifications and maintenance of documented approval records for bank account opening, so as to ensure that the terms of the policy are completely consistent with the current actual business operations; standardize the full-process management and control of bank account cancellation, and all bank account cancellations must be subject to the online approval procedure, with full maintenance of approval records; the finance department should also establish an evaluation mechanism for periodic clean-up of bank accounts, regularly review bank accounts, sort out idle, inefficient and redundant accounts, and timely complete the clean-up and cancellation of accounts.	The Company is completing the update of the Monetary Fund Management Policy by adding requirements for account opening and cancellation process, and will strictly implement the requirements of the policy. Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
5.5	Bank reconciliation management	Monthly bank reconciliation had been performed by cashiers to verify the actual bank balances against the book balances in the financial system. However, in practice, when the monthly reconciliation revealed no discrepancies, the financial personnel did not prepare bank balance reconciliation statements and keep supporting documentation for monthly reconciliation in accordance with the requirements of the policy.	It is recommended that the management standardize the monthly bank reconciliation management procedure, and keep complete bank reconciliation records regardless of any balance difference in the current month; where there are unpaid accounts and balance differences, the preparation of bank balance reconciliation statement must be standardized and followed up for eliminating such differences. The Company may consider establishing a unified monthly bank reconciliation ledger to clearly indicate that there are no differences in the reconciliation for the current month and formalize the signature confirmation procedures of the preparer and reviewer. The Company may also update the relevant bank reconciliation mechanism in the Monetary Fund Management Policy to specify the monthly bank reconciliation responsibilities, operating procedures and data archiving standards.	The Company is establishing a unified monthly bank reconciliation ledger to clearly indicate that there are no differences in the reconciliation for the current month, and improve the signature confirmation procedures of preparers and reviewers. Where there are unpaid accounts and balance differences, the preparation of the bank balance reconciliation statement must be standardized and be followed up for eliminating such differences. Expected completion date: 30 June 2026.
5.6	Petty cash management	Although the Company has formulated an OA approval procedure for petty cash application, it had failed to formulate a standardized special written management policy for petty cash, nor had it specified the control rules for the approval, scope of usage, ledger management, stocktaking, mandatory annual clean-up and return of petty cash.	It is recommended that the management formulate a written policy for petty cash management as soon as possible to specify the management and control requirements such as the scope of personnel who can apply for petty cash, quota standard, scope of usage, lend approval procedure, reimbursement and write-off cycle, ledger registration, regular review and mandatory clean-up at the end of the year, so as to realize the standardized management of the full-process of petty cash. The relevant written policy should be submitted to the designated management for desktop review and circulated to the relevant responsible employees for strict implementation.	The Company has formulated a written policy for petty cash management to specify the management and control requirements such as the scope of personnel who can apply for petty cash, quota standard, scope of usage, lend approval procedure, reimbursement and write-off cycle, ledger record, regular review and mandatory clean-up at the end of the year. Completed as of 15 June 2026.

VI. Financial Reporting Procedures and Disclosure Control

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
6.1	Preparation of financial statements	The Financial Reporting Preparation Standards of Netjoy Group (《云想集團財務報表編製規範》) had not been properly reviewed and released by the management. The requirements for standardized reporting and approval of financial statements and maintenance of written approval records were not established in the policy. Review of the statements was checked by the chief financial officer online only without formal approval process, nor was there any valid approval record such as system approval record or written signature.	It is recommended that the management revise and improve the Financial Reporting Preparation Standards of Netjoy Group by adding special control provisions for the reporting, approval and maintenance of documented records of financial statements throughout the process. The approval personnel must complete the approval confirmation through the online system or in writing, maintain the report approval opinions, and ensure the implementation of the principles of report preparation, data review and separation of authority and responsibility in approval. The Company should also complete the approval and official publication process of the Financial Reporting Preparation Standards of Netjoy Group as soon as possible.	The Company is revising and improving the Financial Statement Reporting Standards of Netjoy Group by adding special control provisions for the reporting, approval and full-process traceability of the financial statements. Approval personnel must complete the approval confirmation through the online system, and maintain the report approval opinions (by email confirmation). Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
6.2	Intra-group reconciliation	The financial personnel carried out intra-group reconciliations in the system, but did not maintain written reconciliation records according to the requirements of the policy, nor did they prepare the Intra-Group Balance Reconciliation Statements (《內部往來餘額調節表) in a standardized manner. The intra-group reconciliation process lacks effective written records and supporting documentation.	It is recommended that the management standardize the intra-group reconciliation process and require financial personnel to maintain documented reconciliation records in addition to system-based reconciliations. The management should comprehensively review and improve the Financial Reporting Preparation Standards of Netjoy Group to specify relevant requirements for intra-group reconciliation and maintenance of reconciliation records and clarify the responsibilities of reconciliation personnel and audit personnel and the signature confirmation process, ensuring that written records are maintained throughout the intra-group reconciliation process.	The Company is revising and improving the Financial Statement Preparation Reporting of Netjoy Group by adding relevant requirements for intra-group reconciliation and maintenance of reconciliation records, and clarifies the responsibilities of reconciliation personnel and audit personnel and the signature confirmation process, and strictly implements the relevant processes. Expected completion date: 30 June 2026.

No.	Findings	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
6.3	Budget control, financial analysis and operational variance management	The Company had not established a formal written budget management policy. Activities such as budget preparation, execution monitoring and variance analysis are carried out without the guidance from standardized policy. The Company had no regular mechanism for budget execution supervision, variance analysis or adjustments, and had failed to conduct monthly or quarterly variance analysis by comparing budget and actual data on a systematic basis. In addition, the Company had not established relevant written policy regarding the special approval processes for over-budget requests, budget increases, and cases where actual business expenses exceed the budget.	It is recommended that the management formulate and issue a standardized written budget management policy to establish management and control standards for budget preparation, execution monitoring, variance analysis, dynamic adjustment, rectification and review. Such policy should clarify the roles and responsibilities, operating standards and approval procedures of the finance department, finance BP and the business department, strictly adhering to the principle of checks and balances and the segregation of duties. At the same time, the control process for over-budget expenditure should be standardized to specify the pre-requisition, approval workflow and budget supplementation and adjustment process for over-budget requests. The Group should regularly conduct monthly or quarterly budget execution variance analysis, producing formal budget variance analysis reports for submission to the management for review, with special follow-ups on abnormal budget execution and material variances.	The Company is formulating and issuing a standardized Budget Management Policy (《預算管理制度》) by establishing management and control standards for budget preparation, execution monitoring, variance analysis, dynamic adjustment, rectification and review. It will clarify the roles and responsibilities, operating standards and approval procedures of the finance department, finance BP and the business department, strictly adhering to the principle of checks and balances and segregation of duties. It will also conduct budget variance analysis and prepare written analysis reports to be submitted to the management by email on a quarterly basis. Expected completion date: 30 June 2026.

VII. Seal and Contract Management

In this review, no internal control deficiencies were identified in the scope of seal and contract management.

VIII. Payment Approval and Expense Management

No.	Finding	Details of Internal Control Deficiencies	Rectification Recommendations	Management's Response
8.1	Payment approval and expense management	Although the Group established the procedures of monitoring and managing related expenses through its finance BP, it had not established a comprehensive written management policy covering annual expense management. Specifically, there were no standardized written procedures for expense control process; no specific expense control standards and monitoring requirements for finance BP; no written procedures and document maintenance requirements for special matter approvals; and no written policy for monitoring the use of expenses and analyzing the differences between expenses and budget.	It is recommended that the management strengthen the existing expense management system to improve the relevant written policy for annual expense management (including regular cost and budget variance analysis, approval of special matters, and other procedures). In the policy, the specific responsibilities and monitoring standards for finance BP in expense control should be specified, and special approval process for over-budget expenditure and document maintenance requirements should be clarified. The updated policies should be reviewed in writing by designated management before being circulated to responsible staff for strict implementation.	Same as item 6.3, the budget will cover the formulation of expense budgets, over-budget management and variance analysis. Expected completion date: 30 June 2026.

OPINIONS OF THE AUDIT COMMITTEE AND THE BOARD

Having considered the key findings of the Internal Control Review Report, the corresponding rectifications made by the management of the Group in response to each of the above findings based on the recommendations of the Internal Control Consultant, and the expected completion date of each of the rectifications, the audit committee and the Board are of the view that the rectifications made by the management of the Group are adequate and practicable improvement plans based on the key findings of the Internal Control Review, and that the enhanced internal control system will enable the Company to maintain its relevant risk management at a reasonable level.

The Board believes that the Company will actively promote the construction and optimization of the internal control system, and will continue to implement the abovementioned rectification recommendations and actively follow up on the rectification progress. Upon completion of all rectifications, a supplementary announcement will be made to fulfil the Company's obligations under the Listing Rules, which can ensure the continuing effectiveness of the Company' internal control system, satisfying the conditions under item (iii) of the Resumption Guidance in relation to independent internal control review.

CONTINUED SUSPENSION OF TRADING

Upon the request of the Company, trading in the Company's shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Tuesday, 1 April 2025, and will remain suspended until the Company meets all Resumption Guidance, remedies the issues causing its trading suspension and fully complies with the Listing Rules to the Stock Exchange's satisfaction.

Shareholders and potential investors should exercise caution when investing or dealing in the securities of the Company. Shareholders and potential investors of the Company are advised to seek advice from their professional advisers or financial advisers if they are in doubt.

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

Shanghai, the PRC, 22 June 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.