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GOLDBOND GROUP HOLDINGS LIMITED

金榜集團控股有限公司

(Incorporated in Hong Kong with limited liability)

(Stock code: 00172)

KEY FINDINGS OF INTERNAL CONTROL REVIEW

This announcement is made by Goldbond Group Holdings Limited (the “**Company**” and, collectively with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company refers to the previous announcements of the Company dated 28 June 2019, 22 July 2019, 3 September 2019, 27 September 2019, 29 November 2019, 27 December 2019, 23 January 2020, 31 January 2020, 27 March 2020, 30 March 2020, 26 June 2020, 4 September 2020, 25 September 2020, 24 December 2020, 22 March 2021, 26 March 2021 and 7 June 2021 (collectively, the “**Announcements**”) respectively. Capitalised terms used in this announcement shall bear the same meanings as those defined in the Announcements unless the context requires otherwise.

INTERNAL CONTROL REVIEW

As disclosed in the announcement of the Company dated 7 June 2021, the third phase (and also the final phase) of the Internal Control Review has been completed.

The scope of the Internal Control Review includes, but not limited to, the following:

- independent assessment of the internal control systems of the Company and its main operating subsidiaries at both entity-level and process-level controls;
- identification of major deficiencies of the internal control systems;
- enquiries with the management personnel and key process owners to obtain an understanding of the remedial actions implemented by the Company from October 2020 onwards, to ensure that all significant internal control deficiencies have been properly addressed;
- walk-through and other substantive procedures to confirm the implementation status of the remedial actions; and
- compilation of reports setting out internal control findings and recommendations.

The Internal Control Review was conducted by the IC Consultant in the following three phases:

Phase 1 Review (the “Phase 1 Review”)

The IC Consultant independently reviewed the Group’s entity-level and process-level controls covering the Company and three subsidiaries (the “**Subsidiary(ies)**”) of the Company which are engaged in investment holdings, provision of financial services covering finance lease, provision of car operating lease services and provision of property technology services. The major deficiencies of the internal control systems identified during the Phase 1 Review together with the recommendations of the IC Consultant are set out in the report issued by the IC Consultant on 5 October 2020. The IC Consultant further reviewed the remedial actions taken by the Group and issued a follow-up report on 20 November 2020.

Phase 2 Review (the “Phase 2 Review”)

Upon requested by the Audit Committee and the Board, the IC Consultant was engaged to conduct the Internal Control Review covering four additional Subsidiaries, which are engaged in the provision of small loan financing service, provision of factoring financing service, provision of car operating lease services and trading, to cater for the on-going business development of the Group. The major deficiencies of the internal control systems identified during the Phase 2 Review together with the recommendations of the IC Consultant are set out in the report issued by the IC Consultant on 21 April 2021. The IC Consultant further reviewed the remedial actions taken by the Group for the Phase 2 Review and a follow-up report was issued by the IC Consultant on 21 April 2021.

Phase 3 Review (the “Phase 3 Review”)

Upon requested by the Audit Committee and the Board, the IC Consultant was engaged to conduct the Internal Control Review covering three additional Subsidiaries, which are engaged in the provision of factoring financing service, provision of car operating lease services, to cater for the on-going business development of the Group. The major deficiencies of the internal control systems identified during the Phase 3 Review together with recommendations made by the IC Consultant are set out in the report issued by the IC Consultant on 3 June 2021. The IC Consultant further reviewed the remedial actions taken by the Group for the Phase 3 Review and a follow-up report was issued by the IC Consultant on 7 June 2021.

A summary of the findings of the Internal Control Review, recommendations made by the IC Consultant and remedial actions taken by the Group as recommended by the IC Consultant is set out below:

Phase 1 Review

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
<i>Integrity and ethical values</i>		
Incomplete conflict of interest policy and lack of procedures over regular declaration of conflict of interests	A	<p><u>Recommendation(s)</u></p> <p>the Company should formulate a policy in relation to conflict of interest; key personnel should confirm their understand of the policy and confirm no conflict of interest arises</p> <p><u>Remedial action(s)</u></p> <p>relevant policy has been adopted and implemented; key personnel has acknowledged the content of the policy</p>
<i>Compliance with the Listing Rules</i>		
Relevant compliance workflow to comply with the requirements of the Listing Rules needed to be enhanced	A	<p><u>Recommendation(s)</u></p> <p>the Company should formulate and implement a workflow for compliance with the Listing Rules</p> <p><u>Remedial action(s)</u></p> <p>relevant policies have been adopted and implemented</p>
<i>Risk assessment</i>		
Lack of risk analysis record	B	<p><u>Recommendation(s)</u></p> <p>the management should establish a system to identify the material risk in the aspects of operation, compliance and finance, and the risk analysis should be reported to the Board or the Audit Committee</p> <p><u>Remedial action(s)</u></p> <p>full risk analysis has been conducted and will be conducted regularly</p>

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
<i>Information and communication</i>		
Budget management mechanism could be enhanced	B	<u>Recommendation(s)</u> the Company should optimise and standardise the annual budget preparation, and regularly review the budget and actual expenses <u>Remedial action(s)</u> enhanced mechanism has been established; an analysis of difference between budget and actual expense is and will be conducted regularly
The Company's policies were not adopted by or issued to newly established or acquired Subsidiaries	B	<u>Recommendation(s)</u> the Company should ensure that the Company's policies are adopted and implemented at subsidiary level <u>Remedial action(s)</u> all policies of the Company have been adopted and implemented at subsidiary level
<i>Sales and receipt (Vehicle financial leasing, vehicle operations leasing, property management technology services)</i>		
Sales policies were not established to regulate sales related work	A	<u>Recommendation(s)</u> the management should formulate policies relating to sales and management of account receivables <u>Remedial action(s)</u> relevant policies have been adopted and implemented

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Supporting documents were not retained after performing customer due diligence	B	<u>Recommendation(s)</u> documents relating to customer due diligence should be retained <u>Remedial action(s)</u> rectification measures have been taken; documents relating to customer due diligence are kept and retained by the Subsidiary involved
Failure to issue the vehicle acceptance confirmation to the customer	A	<u>Recommendation(s)</u> acceptance confirmation should be signed by the customers for the delivery of vehicles <u>Remedial action(s)</u> rectification measures have been taken; system is in place to ensure that acceptance confirmation is signed and kept
Lack of requirement for the examiner to inspect the condition of the vehicle and issue the corresponding report	B	<u>Recommendation(s)</u> third party examiner should be engaged to inspect the conditions of the vehicles <u>Remedial action(s)</u> rectification measures have been taken; third party examiner has been engaged to inspect the condition of the vehicle
Records of the installation of the Global Positioning System (“GPS”) and regular spot checks on the position of the vehicle were not retained	A	<u>Recommendation(s)</u> GPS should be installed in the vehicles to be delivered to customers <u>Remedial action(s)</u> rectification measures have been taken; GPS has been installed in the vehicles delivered to new customers

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Annual customer credit risk assessment was not performed	A	<u>Recommendation(s)</u> annual credit risk assessment should be performed annually for existing customers <u>Remedial action(s)</u> relevant policies have been adopted and implemented to ensure that annual credit risk assessment is performed
Procedures for the analysis of accounts receivable aging report were not established and the analysis records were not retained	A	<u>Recommendation(s)</u> accounts receivable and aging analysis should be conducted regularly and relevant analysis reports should be retained <u>Remedial action(s)</u> relevant policies have been adopted and implemented; finance department of the relevant Subsidiaries have been assigned to retain and keep the analysis reports
Failure to evaluate and review the customer's credit	A	<u>Recommendation(s)</u> the management should establish a system to assess customer's credit <u>Remedial action(s)</u> a system is in place to ensure customer's credit is reviewed by the finance department and approved by the general manager of the Subsidiary involved

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Reconciliation of accounts receivable was not performed regularly and the record of the receipt was not retained	A	<p><u>Recommendation(s)</u></p> <p>the finance department should conduct reconciliation of accounts receivables with customer regularly; demand notes of overdue receivables should be retained by the finance department</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; the finance department of the Subsidiaries involved has been assigned to conduct reconciliation of accounts receivables regularly and to keep debt collection records</p>
<i>Cash and treasury management</i>		
Cash and treasury management policies needed to be enhanced	A	<p><u>Recommendation(s)</u></p> <p>cash and treasury policies should be enhanced; the title of the applicant and approver should be set out in payment applications; applicant and approver should not be the same person</p> <p><u>Remedial action(s)</u></p> <p>relevant policies have been adopted and implemented</p>
Cash count record was not retained	A	<p><u>Recommendation(s)</u></p> <p>the finance department should retain the cash count record</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; the finance department has been assigned to retain the cash count record</p>

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Blank cheques count was not regularly performed and the results of the count were not retained	A	<p><u>Recommendation(s)</u></p> <p>the management should regularly count the blank cheques and results of the count should be retained</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; the finance department has been assigned to count the blank cheques regularly and retain the count record</p>
Written records of the accounting vouchers were not retained	A	<p><u>Recommendation(s)</u></p> <p>the management should retain the written records of the accounting vouchers</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; the finance department has been assigned to retain the written records of the accounting vouchers</p>
Lack of cash advance register	A	<p><u>Recommendation(s)</u></p> <p>cash advance register should be set up and maintained by the finance department</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; the finance department has been assigned to maintain a proper cash advance register</p>

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Bank reconciliation could be further enhanced	A	<p><u>Recommendation(s)</u></p> <p>the management should enhance the bank reconciliation preparation process and arrange for independent staff to review the bank reconciliation; bank reconciliation should be performed each month regularly</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; bank reconciliation is conducted monthly and reviewed by the finance department</p>
Records for the use of company seal and review of the use of company seal were not retained	A	<p><u>Recommendation(s)</u></p> <p>the management should retain the records for the use of company seal and arrange for regular review of the records</p> <p><u>Remedial action(s)</u></p> <p>relevant policies have been adopted and implemented, and the relevant register has been maintained</p>
Lack of segregation of duties to safeguard the company seal	A	<p><u>Recommendation(s)</u></p> <p>the management should ensure the segregation of duties to safeguard the company seal and ensure that different seals with different functions are not kept by the same person</p> <p><u>Remedial action(s)</u></p> <p>relevant policies have been adopted and implemented</p>

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
The use of company seal was not approved by the appropriate personnel and there was no formal approval record	A	<u>Recommendation(s)</u> the process for application and approval of use of company seal should be enhanced <u>Remedial action(s)</u> relevant policies have been adopted and implemented
The payment application was not approved by the appropriate personnel and no formal approval record was retained	A	<u>Recommendation(s)</u> the process for payment application and approval should be enhanced <u>Remedial action(s)</u> rectification measures have been taken; approval from the finance department and the management is required for payment application
Record of the approval of the cash flow budget summary was not retained and the variance analysis report was not prepared	A	<u>Recommendation(s)</u> the management should ensure that the record of the approval of the cash flow budget summary is retained <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to retain the relevant records
Failure to retain the written application and approval records for the opening and cancellation of bank accounts	A	<u>Recommendation(s)</u> the management should ensure that written records for the opening and cancellation of bank accounts are retained <u>Remedial action(s)</u> relevant policies have been adopted and implemented; no sample was available in relation to two Subsidiaries for follow-up review as no bank account was opened or closed subsequently

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
<i>Procurement and payment</i>		
Procurement and reimbursement policies were not established	A	<u>Recommendation(s)</u> the management should formulate policies relating to procurement and reimbursement <u>Remedial action(s)</u> relevant policies have been adopted and implemented
Lack of analysis of account payables	A	<u>Recommendation(s)</u> the management should ensure that account payables and aging analysis is performed on a monthly basis <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to perform the analysis on account payables and aging analysis
Applications for business trips were not approved by the appropriate management	B	<u>Recommendation(s)</u> the process of application and approval of business trips should be enhanced <u>Remedial action(s)</u> rectification measures have been taken; proper procedures relating to business trips are in place
The list of qualified suppliers was not established and the suppliers were not regularly evaluated	A	<u>Recommendation(s)</u> the management should maintain a list of qualified suppliers which should be reviewed regularly <u>Remedial action(s)</u> rectification measures have been taken; the list of qualified suppliers has been established, maintained and regularly reviewed

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Lack of purchase requisition record and the corresponding approval	B	<u>Recommendation(s)</u> the management should ensure that the records of purchase requisition and corresponding approval are retained and kept properly <u>Remedial action(s)</u> relevant policies have been adopted and implemented
<i>Financial reporting and disclosure controls</i>		
Financial management policies were not established and the appropriateness of the accounting policies and estimates was not regularly reviewed	A	<u>Recommendation(s)</u> financial management policies should be formulated to regulate the preparation of financial statements, management of accounting records and change of account policies <u>Remedial action(s)</u> relevant policies have been adopted and implemented
The management and approval mechanism for related parties was not established and the reconciliation with other Subsidiaries were not regularly performed	A	<u>Recommendation(s)</u> the management should ensure that management and approval mechanism for related parties is established; the management should perform regular reconciliation for intra-group transactions <u>Remedial action(s)</u> relevant policies have been adopted and implemented

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
The financial statement closing process, account closing checklist and re-opening of closed accounts procedures were not established	A	<u>Recommendation(s)</u> the management should ensure that financial statement closing process, account closing checklist and re-opening of closed accounts procedures are established <u>Remedial action(s)</u> relevant policies have been adopted and implemented
Relevant procedures or guidance were not formulated for the provision of asset impairment and the assessment of asset impairment was not performed	A	<u>Recommendation(s)</u> the management should formulate policies and guidance for the provision of asset impairment <u>Remedial action(s)</u> relevant policies have been adopted and implemented
The approval records for the financial statements and the consolidated financial statement were not retained	A	<u>Recommendation(s)</u> the management should ensure that the records for the approval of the financial statements are retained <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to retain and keep the records
The checklist and preparation procedures for the disclosure of financial statements were not established	A	<u>Recommendation(s)</u> the management should establish a checklist for preparation and disclosure items of financial statements <u>Remedial action(s)</u> relevant policies have been adopted and implemented

Phase 2 Review

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
<i>Sales and receipt management (Small loan financing, factoring business, vehicle financial leasing and trading)</i>		
Sales management policies were not established to regulate sales related work	A	<p><u>Recommendation(s)</u></p> <p>sales management policies should be formulated and established</p> <p><u>Remedial action(s)</u></p> <p>relevant policies have been adopted and implemented</p>
Annual customer credit risk assessment was not performed	A	<p><u>Recommendation(s)</u></p> <p>customer credit risk assessment should be performed annually</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; business departments have been assigned to perform annual customer credit risk assessment</p>
Accounts receivable confirmation and demand notes to customers were not retained	A	<p><u>Recommendation(s)</u></p> <p>the management should ensure that accounts receivable confirmation and demand notes to customers are retained and kept properly</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; business and/or finance departments have been assigned to retain the relevant records</p>

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Due diligence results and customer information were not recorded and due diligence procedures could be improved	A	<p><u>Recommendation(s)</u></p> <p>the management should ensure that due diligence exercise should be performed on the debtors and new customers</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken in relation to one Subsidiary and due diligence exercise has been performed; no sample was available for follow-up review as no new factoring transaction was made subsequently in relation to another Subsidiary</p>
Risk of money laundering for new customers was not analysed and recorded	B	<p><u>Recommendation(s)</u></p> <p>due diligence exercise on the aspect of money laundering should be performed for new customers</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; due diligence exercise has been performed</p>
Communication with customers were not recorded	A	<p><u>Recommendation(s)</u></p> <p>all communication records with customers should be retained</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; the Company has requested all staff to keep and maintain proper records of communication with customers; no sample was available for follow-up review as no new factoring transaction was made subsequently in relation to one Subsidiary</p>

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Procedures for the provision of bad debts were not established	A	<u>Recommendation(s)</u> the management should formulate and establish policies relating to provision of bad debts <u>Remedial action(s)</u> relevant policies have been adopted and implemented
Procedures for handling loan defaults and collaterals in loan contracts were not followed	B	<u>Recommendation(s)</u> the management should ensure that the procedures for handling loans in default and collaterals are followed <u>Remedial action(s)</u> relevant policies have been adopted and implemented
Procedures for sales contract approval could be enhanced	B	<u>Recommendation(s)</u> the procedures for approval of sales contract should be enhanced to ensure that the approvers have properly read and approved the sales contracts <u>Remedial action(s)</u> relevant procedures have been established and implemented; the management has requested that sales contracts should be approved by the general manager or legal representative; no sample was available for follow-up review as no new factoring transaction was made subsequently in relation to a Subsidiary

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Procedures for signing sales contract could be enhanced	B	<p><u>Recommendation(s)</u></p> <p>the procedures for approval of sales contract signing arrangement should be enhanced to ensure that the sales contracts are dated properly</p> <p><u>Remedial action(s)</u></p> <p>relevant policies have been adopted and implemented; no sample was available for follow-up review as no new transaction was made subsequently in relation to a Subsidiary</p>
Release date of factoring loan and starting date of interest calculation were not consistent	A	<p><u>Recommendation(s)</u></p> <p>the management should ensure the consistency of factoring loan release and interest calculation starting date</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; no sample was available for follow-up review as no new transaction was made subsequently</p>
<i>Cash and treasury management</i>		
Cash and treasury management policies could be enhanced	A	<p><u>Recommendation(s)</u></p> <p>cash and treasury policies should be enhanced; the title of the applicant and approver should be set out in payment applications; applicant and approver should not be the same person</p> <p><u>Remedial action(s)</u></p> <p>relevant policies have been adopted and implemented</p>

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Lack of cash advance register	A	<u>Recommendation(s)</u> cash advance register should be set up and maintained by the finance department <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to maintain a proper cash advance register
Blank cheques counts were not regularly performed and the results of the count were not retained	A	<u>Recommendation(s)</u> the management should regularly count the blank cheques and results of the count should be retained <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to count the blank cheques regularly and retain the count record
Review records of the accounting vouchers were not retained	A	<u>Recommendation(s)</u> the management should retain the written records of the accounting vouchers <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to retain the written records of the accounting vouchers

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Bank reconciliation processes could be improved	A	<p><u>Recommendation(s)</u></p> <p>the management should enhance the bank reconciliation preparation process and arrange for independent staff to review the bank reconciliation; bank reconciliation should be performed each month regularly</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; bank reconciliation is conducted monthly and reviewed by the finance department</p>
Records for the use of company seal and approval of the use of company seal were not retained	A	<p><u>Recommendation(s)</u></p> <p>the process for application and approval of use of company seal should be enhanced</p> <p><u>Remedial action(s)</u></p> <p>relevant policies have been adopted and implemented, and the relevant register has been maintained</p>
Lack of cash flow budget statement	A	<p><u>Recommendation(s)</u></p> <p>the management should ensure that cash flow budget statements are prepared regularly and submitted to the headquarter, and the relevant records should be retained and kept</p> <p><u>Remedial action(s)</u></p> <p>rectification measures have been taken; the finance department has been assigned to prepare and submit cash flow budget statements regularly</p>

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
<i>Procurement and payment management</i>		
Reimbursement policies were not established	A	<u>Recommendation(s)</u> reimbursement policies should be established <u>Remedial action(s)</u> relevant policies have been adopted and implemented
<i>Financial reporting and disclosure controls</i>		
Financial management policies were not established and the appropriateness of the accounting policies and estimates was not regularly reviewed	A	<u>Recommendation(s)</u> financial management policies should be formulated to regulate the preparation of financial statements, management of accounting records and change of account policies <u>Remedial action(s)</u> relevant policies have been adopted and implemented
The management and approval mechanism for related parties was not established and the reconciliation with other Subsidiaries were not regularly performed	A	<u>Recommendation(s)</u> the management should ensure that management and approval mechanism for related parties is established; the management should perform regular reconciliation for intra-group transactions <u>Remedial action(s)</u> relevant policies have been adopted and implemented

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
The financial statement closing process, account closing list and reverse closing procedures were not established	A	<u>Recommendation(s)</u> the management should ensure that financial statement closing process, account closing list and reverse closing procedures are established <u>Remedial action(s)</u> relevant policies have been adopted and implemented
Relevant procedures or guidance were not formulated for the provision of asset impairment and the assessment of asset impairment was not performed	A	<u>Recommendation(s)</u> the management should formulate policies and guidance for the provision of asset impairment <u>Remedial action(s)</u> relevant policies have been adopted and implemented
The approval records for the financial statements and the consolidated financial statement were not retained	A	<u>Recommendation(s)</u> the management should ensure that the records for the approval of the financial statements are retained <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to retain and keep the records
Accrued expenses were not assessed and reviewed	B	<u>Recommendation(s)</u> the management should ensure that the accrued expenses are assessed and reviewed regularly <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to assess and review the accrued expenses regularly

Key findings	Classification (Note)	Remedies/actions taken by the Group as recommended by the IC Consultant
Lack of segregation of duties for preparing and approving the accounting vouchers	A	<u>Recommendation(s)</u> the management should ensure the segregation of duties for preparing and approving the accounting vouchers <u>Remedial action(s)</u> rectification measures have been taken; an account staff has been assigned to prepare the accounting vouchers and a finance manager has been assigned to review the accounting vouchers

Phase 3 Review

Key findings	Classification (Note)	Recommendations of the IC Consultant and remedial actions taken by the Group as recommended by the IC Consultant
<i>Sales and receipt (Vehicle financial leasing, vehicle operations leasing)</i>		
Regular review of contract register was not performed	A	<u>Recommendation(s)</u> regular review should be performed <u>Remedial action(s)</u> rectification measures have been taken; contract register is regularly reviewed by the general manager of the Subsidiary
Vehicles for renting were parked at private places	A	<u>Recommendation(s)</u> policies should be in place to ensure proper vehicle management <u>Remedial action(s)</u> relevant policies have been adopted and implemented

Key findings	Classification (Note)	Recommendations of the IC Consultant and remedial actions taken by the Group as recommended by the IC Consultant
<i>Cash and treasury management</i>		
Cashflow forecast analysis was not prepared	A	<u>Recommendation(s)</u> cashflow forecast analysis should be conducted regularly <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to prepare the cashflow forecast regularly
Capital transfer policies and approval matrix were not established and the formal application and approval records were not retained	A	<u>Recommendation(s)</u> capital transfer policies should be formulated and in place <u>Remedial action(s)</u> relevant policies have been adopted and implemented; no sample was available for follow-up review as no similar transaction was made subsequently in respect two Subsidiaries
Written application and approval records for the opening and cancellation of bank accounts were not retained	B	<u>Recommendation(s)</u> documents relating to bank account opening and closures should be kept properly <u>Remedial action(s)</u> relevant policies have been adopted and implemented; no sample was available for follow-up review as no bank account was opened or closed subsequently

Key findings	Classification (Note)	Recommendations of the IC Consultant and remedial actions taken by the Group as recommended by the IC Consultant
Written review record for bank reconciliation form was not retained	B	<u>Recommendation(s)</u> the management should review the bank reconciliation regularly <u>Remedial action(s)</u> rectification measures have been taken; bank reconciliation are kept and reviewed regularly by the finance manager of the Subsidiary involved
The record for the use of company seal was not fully retained at the “company seal register”	B	<u>Recommendation(s)</u> the use of company seal should be approved and the relevant records should be kept properly and reviewed regularly <u>Remedial action(s)</u> rectification measures have been taken in relation to one Subsidiary; records of use of company seal are properly kept and reviewed; no sample was available for follow-up review in relation to a Subsidiary as the company seal has not been used subsequently
<i>Procurement and payment</i>		
Mechanism of service provider assessment was not established	A	<u>Recommendation(s)</u> the management should assess the service provider regularly and keep relevant assessment records <u>Remedial action(s)</u> relevant policies and system relating to assessment of service providers/ suppliers have been adopted and implemented

Key findings	Classification (Note)	Recommendations of the IC Consultant and remedial actions taken by the Group as recommended by the IC Consultant
<i>Financial reporting and disclosure controls</i>		
Written review record for accounting vouchers were not retained	A	<u>Recommendation(s)</u> the management should ensure that accounting vouchers are retained and kept <u>Remedial action(s)</u> rectification measures have been taken; the finance department has been assigned to review accounting vouchers and keep review record
Written review record for financial statements were not retained	A	<u>Recommendation(s)</u> the management should ensure that the review records for financial statements are retained and kept <u>Remedial action(s)</u> rectification measures have been taken; the financial statements are reviewed by the financial controller, chief financial officer and chief executive officer of the Company and they are responsible for keeping review records

Note: The Classification “A” refers to design deficiency and “B” refers to execution deficiency.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on 28 June 2019 and will remain suspended until further notice.

Shareholders and potential investors should exercise extreme caution when dealing in the shares of the Company.

By order of the Board of
Goldbond Group Holdings Limited
Wong Yu Lung, Charles
Chairman

Hong Kong, 9 June 2021

As at the date of this announcement, the Board comprises Mr. Wong Yu Lung, Charles, Ms. Wong, Michelle Yatyee and Mr. Wong Ming Bun, David (all being executive Directors), Mr. Ma Ho Fai GBS JP, Mr. Cheng Yuk Wo and Mr. Yeh Shing Hang Kevin Arthur (all being independent non-executive Directors).