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Sino Vision Worldwide Holdings Limited **新維國際控股有限公司**

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8086)

KEY FINDINGS AND RESULTS OF INTERNAL CONTROL REVIEW

This announcement is made by Sino Vision Worldwide Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 14 February 2022, 7 March 2022, 13 May 2022, 30 May 2022, 2 June 2022 and 23 June 2022 (collectively the “**Announcements**”) in relation to, among other things, (i) the suspension of trading of shares of the Company (the “**Shares**”) with effect from 9:00 a.m. on Monday, 14 February 2022; (ii) the delay in publication of the unaudited interim results of the Group for the six months ended 31 December 2021 (the “**2022 Interim Results**”); (iii) the further delay in publication of the 2022 Interim Results; (iv) the delay in publication of the third quarterly results of the Group for the nine months ended 31 March 2022 (the “**2022 Third Quarterly Results**”); (v) the Resumption Guidance; (vi) the quarterly update on suspension of trading of the Shares; and (vii) the engagement of independent internal control adviser, respectively. Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

BACKGROUND

As disclosed in the announcement of the Company dated 30 May 2022, the Stock Exchange set forth the Resumption Guidance, among other things, required the Company to conduct an independent internal control review and demonstrate that the Company has in place adequate internal control and procedures to meet obligations under the GEM Listing Rules.

To assist the Company in fulfilling the relevant Resumption Guidance, as disclosed in the Company's announcement dated 23 June 2022, the Company has engaged HLB Hodgson Impey Cheng Risk Advisory Services Limited ("**HLB**") on 15 June 2022 as its independent internal control adviser to conduct a comprehensive review of the internal control system, policies and procedures of the Group in relation to the financial reporting cycle for the period from 1 July 2021 to 30 June 2022 (the "**Internal Control Review**") and make recommendations ("**Recommendations**") to improve the Group's internal control. Subsequently, HLB conducted the internal control follow-up review of the Group up to 8 July 2022 (the "**Follow-up Review**") to ascertain the status of implementation of the Recommendations.

OBJECTIVES AND SCOPE OF THE INTERNAL CONTROL REVIEW AND THE FOLLOW-UP REVIEW

The key objectives of the Internal Control Review and the Follow-up Review are to assess and identify significant weaknesses in the relevant financial procedures, systems and controls of the Group, and to report findings and Recommendations for the enhancement of the internal control of the Group.

The scope of work of the Internal Control Review and the Follow-up Review are evaluating the existing policies, procedures or control in relation to the financial reporting cycle under the internal control framework issued by the Committee of Sponsoring Organization of the Treadway Commission to identify weaknesses in the relevant procedure, make recommendations for improvement and assessing whether the Company have taken adequate remedial measures to rectify the weaknesses by performing the Follow-up Review.

KEY FINDINGS OF THE INTERNAL CONTROL REVIEW AND THE FOLLOW-UP REVIEW

The key findings identified by HLB throughout the Internal Control Review and the Follow-up Review, corresponding Recommendations for rectification, the Company's response and the remediation status are summarised as follows:

Key Findings	Recommendations	Company's response and remediation status
1. Inadequate written policies for procedures and guidelines on financial reporting	<p>It is recommended that the policies for procedure and guidelines on financial reporting should include but not limit to the following areas:</p> <ul style="list-style-type: none"> (i) periodic financial statement close procedures (ii) financial approval and reporting structure (iii) on-going training and development of financial personnel (vi) segregation of duties over financial reporting (v) general ledger and accounts records maintenance (vi) review and approval of management accounts and financial statements (vii) commitment monitoring and reporting 	<p>The Board agreed to establish the written policies for procedures and guidelines on financial reporting and the policies have been adopted on 7 July 2022.</p>
2. Insufficient of human resources and capacity to ensure proper control over the financial reporting function of the Group	<p>The Company should employ sufficient staff with relevant capacity in Hong Kong to supervise the financial department staff in Shanghai Operating Subsidiaries and the Shenzhen Operating Subsidiary and monitor their material transactions incurred and ensure proper approval has been obtained. A direct control from Hong Kong's financial reporting functions to the Shanghai Operating Subsidiaries' financial department shall be established</p>	<p>The Board agreed to allocate additional human resource to financial reporting function of the Group. The Board also allocate additional human resource to assist the financial controller to extend the responsibility of financial department.</p>

Key Findings	Recommendations	Company's response and remediation status
3. Non-compliance of GEM Listing Rules regarding the requirement of result announcement and publish of 2022 Interim Results and 2022 Third Quarterly Results	The timing requirement of publish of quarterly/interim financial statements of the Group should be enforced by the financial reporting policy. The procedures of handling the financial reporting under extreme circumstance should also be stated to allow the Group to react quickly.	The Board agreed to establish the timing requirement and enforcement procedures and the procedures have been adopted on 7 July 2022.
4. Insufficient of human resources for segregation of duties over financial reporting and capacity to ensure proper control over the financial reporting function of the Group	It is recommended that the police for procedure and guidelines on the segregation of duties over financial reporting procedures should establish. The Company should employ sufficient staff with relevant capacity in Hong Kong or the PRC ensure proper segregation of duties over financial reporting.	The Board agreed to allocate additional human resource to ensure proper segregation of duties over financial reporting. The Board also allocate additional human resource to assist the financial controller to extend the responsibility of financial department.

RESULTS OF THE INTERNAL CONTROL REVIEW AND FOLLOW-UP REVIEW

As at the date of this announcement, the Group has (i) fully adopted and implemented the Recommendations; and (ii) rectified the relevant deficiencies in the Group's internal control system.

Based upon the results of the above mentioned Internal Control Review and Follow-up Review, HLB is of the view that the above relevant deficiencies in the Group's internal control system have been remediated and the Company has in place adequate and reliable corporate governance, internal controls and financial reporting procedures to meet obligations under the GEM Listing Rules.

OPINIONS OF THE AUDIT COMMITTEE AND THE BOARD

Having considered the report of the Internal Control Review, the report of the Follow-up Review and the remediated actions taken by the Group, the Audit Committee of the Company and the Board are of the view that the enhanced internal control measures implemented by the Company based on the Recommendations are adequate and sufficient to address the key findings of the report of the Internal Control Review and the Company has in place adequate internal controls and procedures to meet obligations under the GEM Listing Rules.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange was halted with effect from 9:00 a.m. on 14 February 2022. Pending fulfilment of the Resumption Guidance, trading in the Shares on the Stock Exchange will remain suspended until further notice.

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

For and on behalf of the Board
Sino Vision Worldwide Holdings Limited
Bai Long
Chairman and executive Director

Hong Kong, 15 July 2022

As at the date of this announcement, the executive Directors are Mr. Bai Long, Mr. Huang Qing, Mr. Lai Kin Kong Nelson, Ms. Han Limei and Ms. Han Xiumei, and the independent non-executive Directors are Mr. Chiam Tat Yiu, Ms. Xu Yilei, Ms. Dong Qihong and Mr. Lu Qi.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at <http://www.hkexnews.hk> for at least 7 days from the date of its publication and on the website of the Company at <http://www.sinovisionworldwide.com>.