Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

GUDOU HOLDINGS LIMITED
古兜控股有限公司

(incorporated in the Cayman Islands with limited liability)

(stock code: 8308)

INSIDE INFORMATION – KEY FINDINGS OF INTERNAL CONTROL REVIEW

This announcement is made by Gudou Holdings Limited (the "**Company**" and together with its subsidiaries, the "**Group**") pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 17.06(2) of the Rules Governing the Listing of Securities (the "**GEM Listing Rules**") on GEM of the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

Reference is made to the announcement of the Company dated 6 May 2024 in relation to, among others, the fulfillment of resumption guidance and the resumption of trading in the shares of the Company (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

INTRODUCTION

As disclosed in the Announcement, in order to prevent incident similar to the Joint Operation from happening again and to take this opportunity to improve the internal control if necessary, the Audit Committee advised the Company to engage an external internal control adviser to conduct a thorough internal control review over the Group.

The Board has engaged BT Corporate Governance Limited (the "**Internal Control Consultant**") to conduct an independent internal control review on the Group (the "**Internal Control Review**") and provide corresponding recommendations for improving the internal control of the Group. This announcement sets out the key findings of the Internal Control Review.

SCOPE OF REVIEW

The Internal Control Consultant conducted a detailed review on the internal control systems of the Company for the period from 1 January 2024 to 31 December 2024 (the "**Review Period**"), which covered the following areas: -

(i) corporate governance;

(ii) revenue and receipt;

(iii) purchase and payment;

(iv) inventory management;

(v) fixed assets management;

(vi) operating expenses management;

(vii) treasury (including cash) management;

(viii) human resources and payroll management;

(ix) financial reporting; and

(x) information technology general control.

METHODOLOGY AND PROCEDURE OF THE INTERNAL CONTROL REVIEW

The Internal Control Consultant undertook the following procedures and methodology in relation to the Internal Control Review:

(i) Obtaining financial and operating manuals of the Group on the existing procedures, systems and controls established by management or appropriate personnel;

(ii) Obtaining an understanding of the existing procedures, systems and controls established by the Group through enquiry with management and/or appropriate personnel;

(iii) Identifying the key procedures, systems and controls of the Group to meet the requirements of the GEM Listing Rules;

(iv) Carrying out walkthrough tests on those critical aspects of the key procedures, systems and controls of the Group identified to confirm our understanding;

(v) Carrying out system review and compliance tests on those critical aspects of the key procedures, systems and controls of the Group identified to verify effectiveness of design and implementation of the control mechanism; and

(vi) Making recommendations, based on our observations, documentation and testing of the procedures, systems and controls that could improve the effectiveness and/or efficiency of the procedures, systems and controls.

KEY FINDINGS OF THE IC REVIEW

The Board is pleased to announce that it has taken actions to address the findings and is in the course of implementing the recommendations made by the Internal Control Consultant. The key findings of the Internal Control Review for the Review Period, the corresponding recommendations for rectification, the Company's responses and the remediation status are summarised as follows:

Weakness identified	Risk Level	Proposed measures to improve	Implementation plan by the Group
Corporate Governance			
Failure to give a 14-day notice prior to the meeting of the board of directors of the Company	Low	The Company should provide written notice of Board meeting at least 14 days before the proposed Board meeting is convened. All relevant supporting documents should be duly recorded for future reference.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Absence of record in relation to the Directors' participance in continuing professional development training	Low	The Company should properly maintain the attendance record of Directors' training to ensure each of the Directors receives adequate continuing professional development training.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Revenue and Receipt			
Absence of background check and credit evaluation process for credit customers	Low to medium	The responsible personnel of the Group should obtain related backgrounds documents to conduct customer background and credit assessment. Also, the Group has to establish a new customer assessment form, which the filled form is to be approved by the authorised personnel of the Group.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Absence of preparation of written sales order	Low to medium	The Group should prepare and issue the written sales order to customers with details including but not limited to transaction details, sales amount and payment terms	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Procedures over revenue reconciliation is inadequate	Low to medium	The Group should perform reconciliation between the sales report, internal system and the payment platform on a daily basis.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.

Weakness identified	Risk Level	Proposed measures to improve	Implementation plan by the Group
Absence of written records of follow-up action taken for the outstanding accounts receivable	Low	Written records should be kept for actions taken for outstanding accounts receivable for the Company.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Purchase and Payment			
Lack of documentation of competitive bids results	Low to medium	The Group should document the competitive bid result which is approved by the authorised personnels of the Group with written record.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Absence of written purchase order preparation	Low	Written purchase orders should be prepared, documenting terms of the transaction including but not limited to unit price, total amount of the transaction, delivery date, payment arrangements, quality assurance, and return policies.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Fixed asset management			
Lack of performance of regular fixed assets count	Low	The Group should designate relevant personnel and supervisor to perform the fixed assets count on a regular basis, and the fixed asset count result should be properly recorded and reviewed with written record.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Operating Expenses Management			
Operating expenses management policy not comprehensive enough	Low	The Company should prepare a comprehensive written operating expenses management policy. The written policy should be circulated among the responsible personnel in enhancing the Company's regulation on daily operation.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Lack of written approval over operating expenses	Low to medium	The authorized personnel of the Group should approve the operating expenses with written record.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.

Weakness identified	Risk Level	Proposed measures to improve	Implementation plan by the Group
Cases of the Company not entered into contract with suppliers	Low	The Company should enter into service agreements with suppliers, which specify the service fees and scope of services.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Treasury (including cash) Management			
Absence of upper limit set for cash on hand	Low to medium	The Group should fix an upper limit for cash on hand.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Absence of written approval over opening/closing of bank accounts	Low to medium	The authorised personnel of the Group should approve the opening or closing of bank accounts with written record.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Lack of written approval procedures over bank loans application and lack of competitive bid for the bank loans	Low to medium	The authorised personnel of the Group should approve any bank loan application with written record.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Human Resources and Payroll Management			
Absence of preparation of recruitment application from	Low	The Company should prepare a written recruitment application form, which should be approved by the designated personnel by signing before the recruitment procedure.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Lack of written notice prepared for passing of probation period	Low	The Company should prepare written notices to notify their employee in relation to the passing of probation period. The written notice should be signed and approved by the designated personnel.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Lack of approval over monthly payroll calculation	Low to medium	The Group should review and sign the monthly payroll calculation by the designated personnel with written record and make the payroll to the staff in a timely manner.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Payroll payment is not made in a timely manner	Medium	The Group should make the payroll payment to the staff in a timely manner.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.

Weakness identified	Risk Level	Proposed measures to improve	Implementation plan by the Group
Absence of regular performance of employees' appraisal	Low to medium	The Group should perform appraisal on employee's performance on a regular basis. Also, the authorized personnel should prepare and approve the assessment form with written record.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Financial Reporting			
Inadequate control over bank reconciliation	Low to medium	The Group should prepare and review the bank reconciliation worksheet by the designated personnel with written record.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Training material and the attendance record of finance staff not properly kept	Low	The Company should require all staff who attended the training to sign on the training attendance form. The Company shall properly keep all the training materials and attendance record.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Information Technology General Control			
Outdated information security policies	Low to medium	The Group should review and update the information securities written policies at least once per year and obtain management approval over the information security policies updates.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Insufficient control over software license management	Medium	The Group should adopt the following measures: (i) Establish a software register; (ii) Count the software asset regularly and update the software register accordingly; and (iii) Revoke the administrator access rights for employee accounts.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Insufficient controls over network security management	Medium	The Group should set up a firewall between external and internal networks for network security.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.
Insufficient control over protection against malware.	Low to medium	The Group should install a centrally-managed antivirus system on all computers and centralize administrator access privileges to the designated system administrator.	The management of the Group concurs with the observation and targets to implement the recommendations by December 2025.

VIEW OF THE AUDIT COMMITTEE AND THE BOARD

The Audit Committee and the Board are committed to improve the internal control of the Group according to the measures proposed by the Internal Control Consultant. The Board has set a timeline to implement the proposed measures, with a target to substantially enhance the internal control of the Group by December 2025. The Audit Committee will evaluate the Company's progress and determine appropriate next steps to advise the Board. Having considered the findings of the Internal Control Review, the Board is of the view that the Company will have in place an adequate and effective internal control system to comply with its obligations under the GEM Listing Rules upon the implementation of the measures proposed by the Internal Control Consultant.

Further announcement(s) will be made by the Company in relation to the implementation of internal control measures as and when appropriate.

By Order of the Board
Gudou Holdings Limited
Han Jim Zhao Ping
Chairman and Executive Director

Hong Kong, 25 August 2025

As at the date of this announcement, the executive Directors are Mr. Han Jim Zhao Ping, Mr. Jiang Guowei, Mr. Hon Chi Ming, Mr. Wang Jun and Mr. Wu Weibin, the non-executive Director is Ms. Huang Yi, and the independent non-executive Directors are Mr. Chan Cheuk Ho, Ms. Zhang Shaomin and Mr. E Yau Lai.

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 www.hkexnews.hk for at least 7 days from the date of its posting and on the website of the Company at www.gudouholdings.com.