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## **PROSPER ONE INTERNATIONAL HOLDINGS COMPANY LIMITED**

**富一國際控股有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1470)**

### **ANNOUNCEMENT INTERNAL CONTROL FOLLOW-UP REVIEW**

Reference is made to the Statement of Disciplinary Action published by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) dated 18 May 2022 (the “**Statement**”) and the announcement of Prosper One International Holdings Company Limited (the “**Company**”) dated 2 August 2022 (the “**Announcement**”) in relation to, among others, the appointment of the Internal Control Adviser as directed by the Listing Committee of the Stock Exchange (the “**Listing Committee**”) in the Statement and the key findings of the internal control review (the “**Review**”). Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

### **INTERNAL CONTROL FOLLOW-UP REVIEW REPORT**

Further to the Review, the Internal Control Adviser has conducted a follow-up review of the Company’s implementation of the recommendations as set out in the written report of the Internal Control Adviser dated 13 July 2022 (“**Review Report**”). The follow-up review covered the period from 19 August 2022 to 26 August 2022, focusing on the remedial actions undertaken by the management of the Group on the control deficiencies identified in the Review Report. On 13 September 2022, the Company submitted the follow-up review report of the Internal Control Adviser (“**Follow-up Report**”) to the Listing Division of the Stock Exchange.

According to the Follow-up Report, to the extent available for control testing by the Internal Control Advisor, the Company has fully adopted and implemented all the recommendations in the Review Report and all the control deficiencies identified in the Review Report have been remediated, details of which are set out as follows:

**A. Handling and disclosure of notifiable and connected transactions**

**1. Segregation/Disintegration of IC Manual & NTCT Policy (Risk level: Medium)**

*Remediation status*

The Company established “Authority of Limits at Board Level”, the directors and senior management must confirm their acknowledgement and refer to the latest authority of limit.

The Company has also set up the procedures for reviewing and updating both IC Manual and NTCT Policy on an annual basis.

*Completion date*

31 August 2022

**2. Lack of Comprehensive Sales & Procurement Procedures (Risk level: Medium)**

*Remediation status*

The Company has set up clear segregation of policies and procedures for both watch business and fertilizer business. It is noted from the Review that the said policies have been amended in compliance with Chapters 14 and 14A of the Listing Rules.

*Completion date*

31 August 2022

**3. Lack of Comprehensive List of Associates (Risk Level: Medium)**

*Remediation status*

The Company revised and adopted the template “List of Associates Form” in NTCT Policy, more information was included in the form, including name of entity, business license number, year of establishment, place of incorporation, and business relations with the Company.

*Completion date*

31 August 2022

## **B. Internal control over COSO Framework**

### **4. *Lack of Comprehensive Training Criteria (Risk Level: Low)***

#### *Remediation status*

The Company has set out the “Training” session to supplement the IC Manual Appendix 3 with the aforementioned aspects. The training should be conducted at least semi-annually or whenever necessary for the directors.

#### *Completion date*

31 August 2022

### **5. *Lack of Contingency Training Plan (Risk Level: Low)***

#### *Remediation status*

The Company has set out the “Training” session to supplement the IC Manual Appendix 3 in case of any unprecedented circumstances prohibiting training to be conducted normally, alternatives such as replacing in-place training by online video training should be implemented.

#### *Completion date*

31 August 2022

### **6. *Document Discrepancies in IC Manual (Risk Level: Low)***

#### *Remediation status*

The Company has updated the IC Manual to the latest version in accordance with the above recommendations.

#### *Completion date*

31 August 2022

## **RESPONSE OF THE BOARD**

Having considered the results of the Follow-up Report, the Company is of the view that the remedial measures implemented by the Company are sufficient and adequate to address the directions of the Listing Committee in the Statement.

The Company will continue to implement the recommendations in the Review Report to improve the Company's internal controls and to ensure compliance with all applicable Listing Rules, in particular, Chapters 14 and 14A of the Listing Rules.

By Order of the Board  
**Prosper One International Holdings Company Limited**  
**Meng Guangyin**  
*Chairman, Chief Executive Officer and Executive Director*

Hong Kong, 21 September 2022

*As at the date of this announcement, the Board comprises Mr. Meng Guangyin (Chairman and Chief Executive Officer), Mr. Liu Guoqing (Chief Financial Officer), Mr. Liu Jiaqiang and Mr. Li Dongpo as the executive Directors; and Mr. Tian Zhiyuan, Mr. Lee Chun Keung and Mr. Wang Luping as the independent non-executive Directors.*