

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.



中国优通控股
China UT Holding

CHINA U-TON FUTURE SPACE INDUSTRIAL GROUP HOLDINGS LTD.
中國優通未來空間產業集團控股有限公司

(In Liquidation)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6168)

COMPLETION OF INTERNAL CONTROL REVIEW

This announcement is made by China U-Ton Future Space Industrial Group Holdings Ltd. (In Liquidation) (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcement of the Company dated 5 May 2021 in relation to the suspension of trading in the shares of the Company (the “**Shares**”) on the Stock Exchange, the announcement of the Company dated 8 July 2021 in relation to the resumption guidance issued by the Stock Exchange to the Company on 7 July 2021 (the “**Initial Resumption Guidance**”), the announcement of the Company dated 16 September 2022 in relation to, among others, the Suspected Unauthorised Subscription, the establishment of the Special Investigation Committee and the appointment of the Independent Investigator, the announcement of the Company dated 27 September 2022 in relation to the additional resumption guidance issued by the Stock Exchange to the Company on 22 September 2022 (the “**Additional Resumption Guidance**”) (together with the Initial Resumption Guidance, the “**Resumption Guidance**”), the announcement of the Company dated 4 November 2022 in relation to, amongst others, the Independent Forensic Investigation and the Specific Internal Control Review and the announcement of the Company dated 4 November 2022 in relation to, amongst others, the updates in progress of the Restructuring and the fulfillment of Resumption Guidance (collectively, the “**Announcements**”). Capitalised terms herein shall bear the same meanings as defined in the Announcements, unless stated otherwise.

BACKGROUND

As set out in the announcement of the Company dated 4 November 2022 in relation to, amongst others, the updates in progress of the Restructuring and the fulfillment of Resumption Guidance, in order to assist the Company in fulfilling the Resumption Guidance, the Company engaged WM Corporate Advisory Limited as its internal control consultant (the “**Internal Control Consultant**”) to conduct a comprehensive review of the internal control systems and procedures of the Group and to make recommendations accordingly (the “**Comprehensive Internal Control Review**”). The Comprehensive Internal Control Review has been conducted for the period 1 January 2020 to 31 August 2022 (the “**Assessment Period**”) as part of the Company’s efforts in satisfying the Resumption Guidance, under which the Company is required to demonstrate adequate internal control and procedures being put in place to comply with the Listing Rules. The scope of internal control system assessment includes (i) an assessment of the internal controls at entity level covering control environment, risk assessment, control activities, information and communication and monitoring; and (ii) an assessment of the internal controls of the Group at process level including financial reporting and disclosure, sales and accounts receivable management, procurement and payment management, inventory management, cash and treasury management, fixed asset management, human resources and payroll management and tax management.

On 24 October 2022, the Internal Control Consultant issued the interim internal control report (the “**Interim Internal Control Report**”) setting out (i) the overall results of the Comprehensive Internal Control Review; (ii) the deficiencies identified during the Comprehensive Internal Control Review; and (iii) the recommendations to the Company. The management of the Group has been taking actions and steps (the “**Remedial Actions**”) to rectify the internal control weaknesses identified and improved the internal control systems continuously.

COMPLETION OF THE COMPREHENSIVE INTERNAL CONTROL REVIEW

The Company is pleased to announce that all the Remedial Actions has been completed. Following the full implementation of the Remedial Actions, the Internal Control Consultant conducted a follow-up review in relation to the effectiveness of the Remedial Actions and has issued the final internal control review report (the “**Final Internal Control Report**”) on 17 January 2023. In the Final Internal Control Report, the Internal Control Consultant expresses its view that the deficiencies in the Company’s internal control system identified in the Interim Internal Control Report have been rectified.

SUMMARY OF KEY FINDINGS AND RESPECTIVE REMEDIATION ACTION TAKEN BY THE GROUP

Set out below is a summary of the key findings in the Interim Internal Control Report and respective Remedial Actions taken by the Group:

Subjects	Summary of key findings	Summary of the key Remedial Actions
A. Compliance with the Listing Rules		
A1 Disclosure of inside information	The Company did not have in place an established, written policy and procedure in respect of disclosure of inside information and therefore has in past failed to disclose material inside information in several instances.	<p>The Company has established a written policy in relation to the disclosure of inside information. Such policy will be updated and distributed to the management on a regular basis.</p> <p>The Company has appointed Mr. Cheung Kwok Woo (“Mr. Cheung”) as the company secretary with effect from 26 October 2022.</p> <p>Mr. Cheung is responsible for implementing and/or establishing the relevant corporate governance policies on various areas including but not limited to compliance of the Listing Rules, disclosure of inside information and proper corporate governance. As the company secretary, he will implement the aforesaid policy in relation to disclosure of inside information and consult with the independent non-executive Directors and/or the Audit Committee where necessary.</p> <p>Mr. Cheung has also issued a training notice to all existing Directors on 29 November 2021.</p>
A2 Delay in publication of annual results and interim results	The Company has failed to publish and dispatch the interim and annual results and reports for the six months ended 30 June 2021, the six months ended 30 June 2022, the year ended 31 December 2020 and the year ended 31 December 2021 within the stipulated timeframe of the Listing Rules.	<p>The Company had published all the outstanding financial results and dispatched all the outstanding financial reports on 4 November 2022 and 11 November 2022 respectively.</p> <p>The Company has updated its financial reporting procedure and policy on 1 December 2022.</p> <p>The Company has appointed an accounting advisory consultant (the “Consultant”), to provide accounting and compliance consultancy services, including but not limited to updating the compliance procedure and workflow of the Company.</p> <p>The Consultant is responsible for assisting the Company and the Group to handle the financial and corporate compliance affairs and to ensure the timely publication and dispatch of the audited financial result and report for the year ended on 31 December 2022 in accordance with the Listing Rules.</p> <p>On the date of the Resumption, the Company will appoint Mr. Ho Yau Kwok (何有國)(“Mr. Ho”), who has more than 20 years experience in the fields of finance and banking, as the chief financial officer (“CFO”) of the Group. Mr. Ho will be in charge of all financial and accounting affairs of the Group.</p>

Subjects	Summary of key findings	Summary of the key Remedial Actions
A. Compliance with the Listing Rules		
A3 Notifiable transactions	The Company does not have in place an established procedure in respect of the identification and disclosure of the transactions that are notifiable under Chapter 14 of the Listing Rules.	<p>As the company secretary, Mr. Cheung is responsible for ensuring compliance with the Listing Rules in all aspects, including Chapter 14 thereof and conduct necessary training for all Directors.</p> <p>The training materials in relation to, amongst others, proper corporate governance, compliance matters, and inside information have been circulated to all existing Directors for self-study on 29 November 2022.</p> <p>Mr. Cheung and the Consultant are responsible for conducting regular size test to identify the transactions notifiable under Chapter 14 of the Listing Rules and notify the Board as and when appropriate in order to ensure compliance with Chapter 14 of the Listing Rules.</p>
A4 Compliance with the Corporate Governance Code (Appendix 14 of the Listing Rules) (the “CG Code”)	The Company has failed to comply with a series of obligations imposed by various code provisions in the CG Codes in connection with Directors’ training and professional development, disclosure of changes in relevant details of the Directors, risk management policies and internal audit.	<p>The Company has appointed Mr. Cheung as the company secretary. The Company has also appointed the Consultant to assist the Company in complying with the CG Codes by, amongst others, providing Directors’ training, internal control, internal audit, and risk management consultancy services after the Resumption. Following the respective appointments, the Company already has in place sufficient support from professional personnel to comply with the CG Codes.</p> <p>The director training register has been adopted to record the relevant directors’ training information.</p> <p>The Company has updated its risk management policy and procedure in order to identify material risks and adopt control actions accordingly. The Consultant and Mr. Cheung are responsible for implementing such policy.</p> <p>For appointment of new Directors, the proposed Directors will be required to provide comprehensive personal information and supporting documents for scrutinization by the legal department of the Company.</p> <p>The Consultant is responsible for compiling regular internal control report.</p>
A5 Appointment of company secretary	As of the date of the Interim Internal Control Review Report, the Company did not appoint a company secretary.	The Company has appointed Mr. Cheung as the company secretary of the Company with effect from 26 October 2022. For details, please refer to the announcement of the Company dated 26 October 2022.

Subjects	Summary of key findings	Summary of the key Remedial Actions
B. Accounting and financial reporting procedures		
B1 Appointment of chief financial officer	The Company does not have an existing chief financial officer in place for the Company and/or the Group. A suitable chief financial officer in place could assist the Group in handling daily financial affairs and ensuring the compliance of financial reporting obligations.	<p>The Company has appointed the Consultant which has allocated sufficient manpower to assist the Company to handle the accounting, financial and corporate compliance affairs in order to ensure the timely publication of the financial results for the year ended on 31 December 2022 on or before 31 March 2023 and dispatch the audited financial statement and annual report in accordance with the Listing Rules.</p> <p>On the date of Resumption, the Company will appoint Mr. Ho as the CFO of the Group. Mr. Ho will be in charge of all financial and accounting affairs of the Group as well as the matters on compliance with the Listing Rules. He will also monitor the implementation of financial reporting procedures and policies of the Group.</p>
B2 Consolidated financial statements	<p>The Company does not have a complete procedure for financial reporting and does not specify internal control measures during the compilation of consolidated financial results.</p> <p>There is insufficient resource allocated to the review and approval of consolidated financial results.</p>	<p>The Company has already updated the Company's financial reporting policy on 1 December 2022.</p> <p>The Consultant is responsible for implementing and updating the Company's financial reporting policies and procedures.</p> <p>The Company has published and dispatched the outstanding financial results on 4 November 2022 and 11 November 2022 respectively.</p> <p>The Consultant is responsible for assisting the Company and the Group to prepare the consolidated financial statement of all of the Group's subsidiaries for the year ended 31 December 2022 and to ensure the timely publication and dispatch of the audited financial results and report for the year ended 31 December 2022 in accordance with the Listing Rules.</p> <p>On the date of Resumption, Mr. Ho will act as the CFO of the Group and be in charge of all financial and accounting affairs of the Group. He will also supervise the implementation of the financial reporting procedures and policies of the Group.</p>

Subjects	Summary of key findings	Summary of the key Remedial Actions
B. Accounting and financial reporting procedures		
B3 Financial budgets and analysis	The Group's finance department did not prepare formal annual master financial budget for the Group. As a result, the Company cannot fully appraise of the Group's performance against the financial budgets.	<p>The Company has updated its financial reporting procedures and policies on 1 December 2022 and has prepared the financial budgets for the year ended 31 December 2022 and the year ending 31 December 2023 respectively.</p> <p>The Company had published all the outstanding financial results and dispatched all the outstanding financial reports on 4 November 2022 and 11 November 2022 respectively.</p> <p>The Consultant will conduct analysis against the financial budget for the year ended 31 December 2022 based on the actual financial performance of the Group for the year ended 31 December 2022.</p> <p>On the date of Resumption, Mr. Ho will act as the CFO of the Group and be in charge of all financial and accounting affairs of the Group. Further, he will also supervise the implementation of the financial reporting procedures and policies of the Group. He will monitor the financial budgets and the actual financial performances of the Group to conduct analysis and prepare monthly report(s) for differences in actual performance contrasted with the budget. Mr. Ho will also prepare interim consolidated financial results to monitor the performances of the Group.</p>
B4 Reconciliation of bank statements	The Company did not request for and review the reconciliation of bank statements of its subsidiaries, which will increase the risk of funds of the Group being misappropriated.	<p>After implementation of the procedures in connection with the reconciliation of bank statements of its subsidiaries, the Company had published all the outstanding financial results and dispatched all the outstanding financial reports on 4 November 2022 and 11 November 2022 respectively.</p> <p>The Company has updated its financial reporting procedure and policy on 1 December 2022.</p> <p>The Consultant is responsible for requesting the subsidiaries of the Company to prepare and provide the reconciliation of bank statements during the preparation of the consolidated financial statement for the year ended 31 December 2022.</p> <p>With the Consultant in place, the subsidiaries of the Group have now been providing monthly reconciliation of bank statements in a format acceptable to the Consultant in line with the financial reporting procedures and policies (i.e. duly dated, signed and reviewed by key persons of the subsidiaries).</p>

Subjects	Summary of key findings	Summary of the key Remedial Actions
B. Accounting and financial reporting procedures		
B5 Tax management	The records in relation to tax management kept by the Company's subsidiaries are deficient in necessary details for the proper management of the Company's tax affairs.	<p>The Company has updated its financial reporting procedure on 1 December 2022. Such procedure, especially those policies in connection with tax matters, could be updated by the management as appropriate.</p> <p>The Group is not required to adopt a global tax arrangement and it is not envisaged that the Group will do so in the near future.</p> <p>The Company has conducted necessary tax auditing exercises and has published the outstanding financial results on 4 November 2022. Further, the Consultant will conduct tax auditing exercises on all relevant tax-related matters during the preparation of the consolidated financial statement for the year ended 31 December 2022.</p> <p>The accountants of its subsidiaries in their respective jurisdictions are responsible for conducting tax auditing exercises in compliance with the local laws.</p> <p>On the date of Resumption, Mr. Ho will act as the CFO of the Group and be in charge of all financial and accounting affairs of the Group. He will also supervise the implementation of financial reporting procedures and policies of the Group.</p>
B6 Cash and treasury management	The records in relation to cash counts statement of some of the subsidiaries of the Group are deficient in necessary details for the proper management of the Group's accounts.	<p>The Company has updated its policies in relation to cash counts.</p> <p>After completion of auditing procedures on cash counts statement of the Group, the Company had published all the outstanding financial results and dispatched all the outstanding financial reports on 4 November 2022 and 11 November 2022 respectively.</p> <p>The Consultant is responsible for conducting internal auditing exercises towards the cash counts statements of the Company and its subsidiaries to ensure that they are properly maintained when the Consultant prepares the consolidated financial statement for the year ended 31 December 2022.</p> <p>On the date of Resumption, Mr. Ho will act as the CFO of the Group and be in charge of all financial and accounting affairs of the Group. He will also supervise the implementation of financial reporting procedures and policies of the Group.</p>

Subjects	Summary of key findings	Summary of the key Remedial Actions
C. Management of the subsidiaries of the Company		
C1 Internal control procedures of the subsidiaries of the Company	<p>Some of the subsidiaries of the Company failed to maintain proper internal control procedures.</p> <p>A subsidiary does not have an effective risk management system in place.</p> <p>The Company fails to regularly monitor the implementation of the internal control systems of some of the subsidiaries of the Group.</p> <p>The Company also does not have internal control procedures in relation to its subsidiaries in order to ensure the effective control and management of the subsidiaries.</p> <p>A series of financial reporting and internal control policies issued by some subsidiaries of the Company are not properly authorized and monitored by the Company.</p> <p>Some of the subsidiaries of the Group do not have complete policies in relation to purchasing process and payment.</p>	<p>The Company has updated the policies in connection with the management of its subsidiaries on 1 December 2022 and distributed the same to all subsidiaries on the same date.</p> <p>The Company has also updated its suppliers' management policy and the relevant purchase and payment workflow on 1 December 2022.</p> <p>The Consultant is responsible for assisting the Company to implement such policies and monitor the progress of the same. The relevant subsidiaries have appointed its personnel to implement appropriate management measures in several key areas including but not limited to authorizations, operation of subsidiaries' bank accounts, affixing of companies' chops and endorsement of contracts (the "Strengthened Internal Control Procedures of the Subsidiaries").</p> <p>Remedial actions have been taken in relation to the implementation of the procedures of (i) the "Know Your Customer or Background Check" ("KYC") and "Anti-Money Laundering" ("AML"); (ii) the Document and Seal Management Policy (as defined below); and (iii) the Strengthened Internal Control Procedures of the Subsidiaries.</p> <p>The Consultant is responsible for assisting the Board for the appraisal and supervision of the subsidiaries' performance.</p> <p>On the date of Resumption, Mr. Ho will act as the CFO of the Group and monitor the implementation of relevant policies of the Group.</p>
D. Administrative Management of the Company		
D1 Office of the Company	<p>The Company did not have an appropriate office space to handle the Company's affairs. The employees of the Company in Hong Kong currently works at home which indicated risk of leakage of confidential information.</p>	<p>The Company has rented part of the office premise of the Consultant as its principal office in Hong Kong. In addition, the Consultant and Mr. Cheung are responsible for ensuring that the Company operates in compliance with the Listing Rules.</p> <p>Upon Resumption, the management of the Company will rent a more sizable office premise in Hong Kong as its principal office in Hong Kong as and when appropriate.</p>

Subjects	Summary of key findings	Summary of the key Remedial Actions
D. Administrative Management of the Company		
D2 Management of seals	The Company's and its subsidiaries' seals are not properly managed.	<p>The Company has updated the policies in connection with the management of its subsidiaries on 1 December 2022, which includes management of seals and the compilation of the registers of seals. The Company has allocated accounting personnel to work with the Consultant to monitor the implementation of the Company's management policies of its subsidiaries which include regular internal control review to ensure the full compliance of the policies by the employees (together, the "Document and Seal Management Policy").</p> <p>The Consultant supported by sufficient financial officers designated by the Company, has been assigned to oversee the use of the Company's seals. Designated suitable personnel is authorised by the Company to manage the seals of the Group.</p> <p>On the date of Resumption, Mr. Ho will act as the CFO of the Group and he is responsible for monitoring the implementation of relevant policies of the Group, including those in relation to the management of seals.</p>
D3 Human resources management	The Company does not have complete policies in connection with the management of human resources and some of the employees did not enter employment contracts between the Company and themselves.	<p>The Company has entered into employment contracts with its employees to clearly set out the terms of employment and to mitigate any potential risks. The Company has updated various human resource policies for the Company including but not limited to staff manual, application form, evaluation forms, and assets handover lists.</p> <p>The Consultant will regularly review all documents in connection with human resources matters.</p>
D4 Fixed assets management	The Company fails to properly oversee and maintain the fixed assets of the Company. In one instance, a litigation has occurred partly due to the lack of proper fixed assets management policies.	<p>The Company has updated the management policy of fixed assets on 1 December 2022. The Consultant is responsible for implementing the said policy and adopt suitable protection measures for key and valuable assets of the Group.</p> <p>The Company will review its management policy of fixed assets on an annual basis. Upon Resumption, Mr. Ho will act as the CFO of the Group and be in charge of the Group's financial and tax matters as well as matters on compliance with the Listing Rules. He will, together with the Board and senior management of the Group, monitor the implementation of the management policies for the subsidiaries, including but not limited to those relating to the fixed assets management.</p>

Subjects	Summary of key findings	Summary of the key Remedial Actions
D. Administrative Management of the Company		
D5 Management of bank accounts	One of the subsidiaries of the Company does not possess records of approval or authorisation for the opening of a bank account of such subsidiary.	<p>The Company has updated its policies in connection with the management of its subsidiaries on 1 December 2022.</p> <p>The Company can only open or change any of its bank accounts with the authorization by the Board and it is also monitored by the Board and/or senior management of the Company.</p> <p>Upon Resumption, Mr. Ho will act as the CFO of the Group and be in charge of the Group's financial and tax matters as well as matters on compliance with the Listing Rules. He will, together with the Board and senior management of the Company, monitor the implementation of the management policies for the subsidiaries, including but not limited to those relating to the monitoring of bank accounts of the Group.</p>
D6 Information and technology system	<p>The Company fails to maintain a complete information and technology system policy. Some of the employees of the Company handle the Company's affairs with non-company's email accounts.</p> <p>The website of the Company is not updated with the latest Company announcements, directors' information and financial reports.</p>	The Company has updated the information and technology system policy on 1 December 2022. The Company has updated the corporate website supported by a digital investor relations services provider, irasia, for its latest company announcements, directors' information and financial reports. Upon Resumption, the Company will update the Company's information system including the email account system.

Subjects

Summary of key findings

Summary of the key Remedial Actions

D. Administrative Management of the Company

D7 General internal control procedures of the Company

As revealed by the incident of the Suspected Unauthorized Subscription, the Group does not have in place the sufficient internal control procedures in several material aspects. For details, please refer to the announcement of the Company dated 4 November 2022 in relation to the key findings of the Independent Forensic Investigation and of the Specific Internal Control Review.

The Company has updated its policies in connection with the management of its subsidiaries on 1 December 2022.

Remedial actions have been taken in accordance with the recommendations in the Independent Forensic Investigation Report, the Specific Internal Control Review Report and the view of the Special Investigation Committee in relation to (a) the implementation of (i) the KYC and AML; (ii) the Document and Seal Management Policy; and (iii) the Strengthened Internal Control Procedures of the Subsidiaries under the supervision of the Consultant and the company secretary; and (b) the replacement of the management involved in the Suspected Unauthorised Subscription with professionals with relevant experience.

Mr. Cheung will work closely with the Consultant to implement the corporate governance policies for the Group to ensure the Company's compliance with the Listing Rules.

The Company has also retained a legal adviser to handle all legal matters in connection with the Restructuring (see item E1 below).

On the date of Resumption, Mr. Ho will act as the CFO of the Group and monitor the implementation of the relevant internal control policies of the Group to ensure the compliance of the regulation and legal requirements and the Company will retain legal adviser(s) to advise the Company on any compliance matters.

Pursuant to the said management policies, for any material corporate action and/or notifiable transaction of the Group (the "Transactions"), the Company will allocate qualified personnel to handle the process of such Transactions. The Company may also appoint external legal adviser and/or accountant to conduct due diligence on the counterparty of the Transactions. Any payment to/received from third party (i.e. other than the counterparty) will require due diligence to be performed by Directors and senior management of the Company and proper authorisation according to the Group's internal control policies is required. Such types of payment should be avoided.

The Directors and senior management of the Company will monitor the bank accounts of the Company and the subsidiaries.

Mr. Cheung and the Consultant will ensure the implementation of internal control policies for the subsidiaries that have been put in place since 1 December 2022. Pursuant to the said policies, among other things, the subsidiaries appointed suitable personnel to take charge of the management of the companies, including their seals and bank accounts, in order to ensure that the Transactions are in compliance with the Listing Rules and the Group's internal control policies.

On the date of Resumption, Mr. Ho will act as the CFO of the Group and monitor the implementation of relevant policies of the Group.

	Subjects	Summary of key findings	Summary of the key Remedial Actions
E. Legal matters			
E1	Retention of legal adviser(s)	The Company did not retain a legal adviser to advise itself on compliance with the regulatory and legal requirements.	<p>The Company has retained a legal adviser to advise itself in connection with the proposed Restructuring and the Resumption on 4 April 2022.</p> <p>In addition, the Company has also appointed a legal advisor to advise itself in connection with the investigation of the Suspected Unauthorised Subscription and the relevant announcement disclosure matters.</p> <p>On the date of Resumption, Mr. Ho will act as the CFO of the Group and monitor the implementation of the relevant internal control policies of the Group to ensure the compliance of the regulation and legal requirements and the Company will retain legal adviser(s) to advise the Company on any compliance matters.</p>
F. Operation of the Company			
F1	Continuing operation	<p>The Company has been ordered to wind up pursuant to the order by the High Court of Hong Kong on 5 May 2021.</p> <p>The Company does not have sufficient funds to repay the interests of its debts and legal expenses.</p>	<p>The Company is under a restructuring process to improve its financial conditions. Upon completion of the Restructuring, all outstanding debts under the proposed scheme of arrangement to be made between the Company and creditors of the Company and the loan from Harbin Bank, which account for the majority of the Group's indebtedness other than those related to normal business operation would be settled.</p>
F2	Money lenders operation	The Company failed to maintain risk management policies in connection with its money lenders operations.	The Company has ceased its money lenders operation since 23 May 2021.

VIEWS OF THE INTERNAL CONTROL CONSULTANT

It is the Internal Control Consultant's view that the Company and the Group have, at the date of this announcement, maintained effective internal control in all material aspects in accordance with the relevant requirements of an established corporate internal control system.

VIEWS OF THE SPECIAL INVESTIGATION COMMITTEE

Having reviewed the Interim Internal Control Report and the Final Internal Control Report and considered the Remedial Actions taken by the Group, the Special Investigation Committee, after due and detailed discussion, formed the views that: –

- (i) the contents and findings in the Final Internal Control Report are reasonable and acceptable;

- (ii) the Remedial Actions implemented by the Company are sufficient and adequate to address all of the findings of the Comprehensive Internal Control Review; and
- (iii) the Group's enhanced internal control systems are sufficient to strengthen the internal control system of the Group to prevent the recurrence of similar incidents in the future and to safeguard the interest of the Company and its shareholders.

Accordingly, the Special Investigation Committee has recommended the Board to adopt the findings of the Comprehensive Internal Control Review. In addition, the Special Investigation Committee has recommended the Board to replace the management of the Company with professionals with relevant experience as soon as practicable (together, the "**SIC Recommendations**").

VIEWS OF THE AUDIT COMMITTEE AND THE BOARD

Having considered the results of the Comprehensive Internal Control Review and the SIC Recommendations, the Audit Committee and the Board are of the view that the Remedial Actions implemented by the Company are sufficient and adequate to address all the findings of the Comprehensive Internal Control Review and agreed with the views of the Special Investigation Committee. The Board has resolved that the SIC Recommendations be implemented as soon as possible. The Group's enhanced internal control systems are sufficient to meet the obligations of the Company under the Listing Rules and to safeguard its interest.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended with effect from 3:00 p.m. on Wednesday, 5 May 2021 and will remain suspended pending fulfillment of the Resumption Guidance and any supplement or modification thereto. Further announcements will be made to provide further updates to the Shareholders and potential investors of the Company as and when appropriate.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

Mr. Ho Man Kit
Joint and Several Liquidator of
CHINA U-TON FUTURE SPACE
INDUSTRIAL GROUP HOLDINGS LTD.
(In Liquidation)

Hong Kong, 31 January 2023

As at the date of this announcement, the executive Directors are Mr. Jiang Changqing, Mr. Zhao Feng, Ms. Liu Jianzhou, Mr. Chen Qizheng, Mr. Liu Zhen and Mr. Mok Kwan Leong; the independent non-executive Directors are Mr. Wang Haiyu, Mr. Mok Hon Kwong Thomas and Mr. Ma Yu-heng.

The affairs, business and property of the Company in Hong Kong are being managed by Mr. Ho Man Kit and Ms. Kong Sze Man Simone, the joint and several liquidators, who act as the agent of the Company only and without personal liability.

The Directors and the Liquidators jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.