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## **YU TAK INTERNATIONAL HOLDINGS LIMITED**

**御德國際控股有限公司**

**(Incorporated in Bermuda with limited liability)**

**(Stock Code: 08048)**

### **SUPPLEMENTAL ANNOUNCEMENT ON THE CHANGE OF AUDITOR**

Reference is made to the announcement of Yu Tak International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 17 December 2025 (the “**Announcement**”) in relation to the change of auditor.

As disclosed in the Announcement, Grant Thornton Hong Kong Limited (“**Grant Thornton**”) resigned as the auditor of the Company with effect from 17 December 2025 after the Company and Grant Thornton failed to reach consensus on the fee for the audit of the consolidated financial statements of the Group for the financial year ended 31 December 2024 (“**FY2024**”), and the Company appointed Prism Hong Kong Limited (“**Prism**”) as the new auditor of the Company with effect from 17 December 2025 until conclusion of the 2024 annual general meeting of the Company.

### **CHRONOLOGY OF EVENTS LEADING TO THE CHANGE OF AUDITOR**

Since the removal of directors of certain IT subsidiaries (the “**Loss of Control Subsidiaries**”) in June 2024 and a series of incidents revealed thereafter, the board (the “**Board**”) of directors (the “**Directors**”) of the Company focused on the resumption of controls over these companies by legal and other available means. The Board had anticipated that the court judgments in the Group’s favour could be obtained by June 2025, however, as the matters progress, due to ongoing counteractions by the opposing parties and the suspected abuse of Court procedures, it had transpired that more time than originally expected may be required to reach a resolution. In light of this, the Company resumed its discussions with Grant Thornton on alternative accounting treatments for the Loss of Control Subsidiaries in September 2025. An agreement was reached between the Company and Grant Thornton in October 2025 that financial information of the Loss of Control Subsidiaries shall be deconsolidated from the Group’s FY2024 consolidated financial statements.

From late October 2025 to November 2025, the Company discussed with Grant Thornton regarding the work plan for the audit and the fee proposal for FY2024. The Company also invited two other audit firms to submit fee quotations for the audit and review engagements for FY2024.

In early December 2025, the Company obtained three audit engagement quotations. Grant Thornton proposed a fee for FY2024, representing an approximately 23% rise from the preceding year, whereas one of the other two audit firms, Prism, offered a combined package for the audit for FY2024 and also the financial year ended 31 December 2025 (“FY2025”) at a significantly lower price.

The Company further negotiated with Grant Thornton and Prism on the possibility of a reduced fee, but unfortunately, Grant Thornton insisted on its original quotation, and no agreement was reached. The chairman of the audit committee of the Board (the “**Audit Committee**”) then discussed with Prism and another audit firm in relation to their proposed audit plans and timetable for the Company and proposed fees for a recommendation to the Board.

The Company proposed the resignation of Grant Thornton, as the parties were unable to reach a consensus on the audit fee for FY2024, notwithstanding that no audit work for FY2024 had commenced and Grant Thornton agreed to resign.

On 17 December 2025, the Audit Committee and the Board held meetings to approve the change of auditor to Prism. Grant Thornton formally submitted a resignation letter on the same day.

#### *Considerations of the Audit Committee for the change of auditor*

The Company understands that all fee quotations are offered by the audit firms based on the estimated workloads, resources required for addressing the key audit issues, and relevant risks associated with the Company (including but not limited to the loss of control over subsidiaries, trading suspension, and related disclosures).

The Audit Committee has taken into account the complexity of the Company’s annual audit for FY2024. While the matters relating to the Loss of Control Subsidiaries (including deconsolidation treatments, related disclosures, and associated risks) involve additional audit work, the deconsolidation has also significantly reduced the overall audit complexity by materially decreasing the Group’s operational footprint, number of operating subsidiaries (primarily limited to Hong Kong and Mainland China excluding the Loss of Control Subsidiaries), geographical distribution, and associated disclosure workload. The Audit Committee had sufficiently weighed the complexity and cost-efficiency when assessing the auditors and their quotations.

In light of this balanced view on the reduced scale of the Group subsequent to the deconsolidation of the Loss of Control Subsidiaries, the Audit Committee is of the view that such deconsolidation has significantly reduced the audit complexity by materially decreasing the Group’s operational footprint, number of operating subsidiaries (primarily limited to Hong Kong and Mainland China excluding the Loss of Control Subsidiaries), geographical distribution, and associated disclosure workload. Taking this into account, the Audit Committee considers that Grant Thornton’s proposed

fee quotation for FY2024 did not adequately reflect the reduced scope and workload compared to prior years and did not justify an increase in audit fee of approximately 23% from the preceding year.

The audit fees proposed by each of Grant Thornton, Prism, and another audit firm for FY2024 and FY2025 are as follows:

Auditor	FY2024 Audit Fee (HK\$)	FY2025 Audit Fee (HK\$)	Fee Basis
Grant Thornton	1,500,000	Not quoted	Based on estimated hours, hourly rates (e.g., audit partner, managers, specialists, and other team members), work allocations, and places of performance, reflecting anticipated workload, including risks from trading suspension and deconsolidation, but without sufficient adjustment for reduced Group scale.
Prism	1,100,000	1,050,000	Based on optimised estimated hours (total more than 1,500 hours), hourly rates, work allocations with a team of up to 12 members, including one audit partner, two managers, specialists, and certain supporting staff, and operational efficiencies, adjusted for the Group's reduced scale post-deconsolidation.
Another audit firm	2,500,000	(combined for FY2024 and FY2025)	Based on estimated hours, hourly rates, work allocations, and standard scope, considering the Group's complexities, but not evaluated in detail beyond fees.

The variances in the proposed fees among the auditors are primarily attributable to differences in the anticipated scope of work, resource commitments, and operational efficiencies. The Company is given to understand that Grant Thornton's higher fee reflects a more conservative estimate of resources needed for a tight timeline and complex issues (including but not limited to the involvement of component auditors for Mainland China subsidiaries and higher assumed team hours without efficiencies from prior-year continuity), despite the reduced Group scale. On the other hand, Prism's lower fees incorporate optimised resource allocation and streamlined deployment, with a dedicated team of up to 12 members with comparable total hours but greater efficiencies, enabling cost savings without compromising scope, such as risk-based approaches to sampling and expert involvement for valuations. Another audit firm's fees fall in between, based on a more standard proposal with less emphasis on specific operational efficiencies compared to Prism.

In selecting Prism, the Audit Committee has considered a number of factors, including but not limited to: (i) the audit plan and timetable proposal of Prism; (ii) their experience, reputation in the

market, resources and capabilities, knowledge and technical competence in providing audit services to other companies listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”); (iii) their independence from the Group and objectivity; and (iv) the relevant rules and guidance.

### *Independence, Competence, and Capability of Prism*

The Audit Committee believes the independence, competence, and capability of Prism (including human resources, expertise, time, and other resources) enable it to perform high-quality audits on the basis that (i) Prism has no previous relationships with the Company and Prism's key personnel other than the potential engagement as to the FY2024 annual audit; (ii) the Company has verified licenses, certificates, and qualifications of Prism for other companies listed on GEM of the Stock Exchange; and (iii) Prism has extensive experience with listed companies in Hong Kong with familiarity with HKFRS and regulatory requirements. The Audit Committee has also reviewed the profile of the responsible team of Prism, whereby the engagement partner of Prism possesses over 10 years of relevant experience in audits of the mainboard and GEM-listed issuers, including handling cases of trading suspension and deconsolidation, which is similar to the case of the Company for FY2024.

The Audit Committee has also considered the public reprimand and pecuniary penalties imposed by the Accounting and Financial Reporting Council (“**AFRC**”) on Prism (and certain individuals) on 11 September 2025 for procedural and administrative non-compliance in 2023, specifically conducting seven public interest entity engagements without the required registrations of two individuals under the relevant sections of the Accounting and Financial Reporting Council Ordinance (Cap. 588) (the “**Disciplinary Action**”). The Audit Committee notes that the AFRC did not make any findings regarding deficiencies in audit quality, professional judgement, independence, or substantive audit work; the matters were historical, non-intentional, and administrative in nature; Prism admitted the misconduct, cooperated fully (resulting in a 30% reduction in penalties), and promptly implemented remedial actions including enhanced internal policies, procedures, and training on registration requirements. No suspension, deregistration, or practice restrictions were imposed on Prism. The proposed engagement team for the Company consists of individuals entirely different from those involved in the Disciplinary Action. Having weighed these factors against Prism’s overall profile, technical resources, experience, proposed methodology, independence declarations, and remedial measures, the Audit Committee remains satisfied that the Disciplinary Action does not affect Prism’s independence, competence, or capability to deliver a high-quality audit for the Company.

### *Audit Plan of Prism*

The overall audit approach of Prism is risk-based, aligning with the auditing standards and focusing on internal controls and key areas impacted by trading suspension and loss of control.

The timetable proposed by Prism included a detailed timetable from mid-December 2025 (planning and opening balances) through January to early February 2026 (fieldwork), to mid-February 2026 (draft reporting), ensuring timely completion will be aligned with the resumption of trading deadlines. Prism committed a dedicated and proficient team for the audit. The Audit Committee's detailed assessment of Prism is based on (a) Prism having extensive audit experience with many Hong Kong-listed companies, including complex cases involving trading suspensions and deconsolidation, as evidenced by the qualifications and over 10 years of experience of the engagement partner in GEM and mainboard audits; (b) the audit plan and timetable are reasonable, with a risk-based approach consistent with Hong Kong Standards on Auditing, incorporating an understanding of internal controls, a focus on deconsolidation treatments, forensic investigations, and disclosures, while involving component auditors for remaining subsidiaries and experts for significant estimates; and (c) resources committed include a team of up to 12 members (including engagement partner, key audit partner, engagement quality control reviewer, audit managers, and supporting staff) with a total estimated of more than 1,500 hours, which the Audit Committee deems adequate given the reduced Group scale and simplified structure, allowing for efficient fieldwork and timely completion without compromising quality.

Based on the discussion with Grant Thornton and Prism, the Audit Committee does not see any significant difference in audit approach and resources that would be dedicated to the annual audit of the Company for FY2024 by both audit firms. The Audit Committee further believed that the overall audit plan and timetable committed by Prism are reasonable and sufficient.

Accordingly, the Audit Committee has concluded that Prism is eligible and suitable to act as the new auditor of the Company for FY2024. The Audit Committee and the Board are of the view that the change of auditor would not affect the progress of the audit of the Company for FY2024 and would enhance the cost-effectiveness of the Company's audit, maintain audit quality, and is in the interest of the Company and its shareholders as a whole. The Audit Committee considers the appointment of Prism to be fair and reasonable overall, as it achieves cost control (with fees reflecting optimised efficiencies and the reduced audit scope post-deconsolidation) while preserving high audit quality through Prism's verified independence, competence (e.g., experienced team handling similar complexities), and sufficient resources (e.g., dedicated team and hours aligned with timelines), as confirmed in the Audit Committee's assessments and minutes dated 17 December 2025.

## **IMPACT OF THE CHANGE IN AUDITOR**

As disclosed in the Announcement, the Board and the Audit Committee have confirmed that the Company and Grant Thornton have agreed on the change of auditor, and there are no other matters in connection with the change of auditor that should be brought to the attention of the shareholders of the Company. Grant Thornton also confirmed that there were no circumstances in connection with their resignation that they consider ought to be brought to the attention of the shareholders of the Company. The Board and the Audit Committee are of the view that Grant Thornton has not commenced any audit work on the consolidated financial statements of the Group for FY2024. It is therefore expected that the change of auditor will not have any material impact on the annual audit of the Group for FY2024.

By Order of the Board  
**Yu Tak International Holdings Limited**

Mr. Chong Shui Pan  
The Chairman

Hong Kong, 26 February 2026

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chong Shui Pan, Ms. Li Xia, and Mr. Chen Yin and three independent non-executive Directors, namely, Mr. Poon Hon Yin, Ms. Bao Manman and Ms. Lin Feifei.

*This announcement, for which the Directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited 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: - (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters, the omission of which would make any statement in this announcement misleading.*

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