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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)

KEY FINDINGS OF INTERNAL CONTROL REVIEW

This announcement is made by Yu Tak International Holdings Limited (the “**Company**”, together with its subsidiary, collectively referred as the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 16 July 2024, 19 July 2024, 29 July 2024 and 8 August 2024, in respect of, among other things, the beneficial interest in subsidiaries and removal of directors of subsidiary companies; the announcements of the Company dated 6 March 2025 and 1 April 2025 in respect of, among other things, the delay in publication of the annual results for the year ended 31 December 2024; and the announcements of the Company dated 13 June 2025, 23 June 2025, 16 September 2025 and 23 December 2025 in respect of, among other things, the resumption guidance issued by the Stock Exchange to the Company and the resumption progress update of the Company.

In view of the aforesaid, the Company has engaged an independent internal control consultant to conduct an internal control review and to make recommendations for the Company to improve its internal control system.

KEY FINDINGS OF THE INTERNAL CONTROL REVIEW

The Company has engaged OCF Corporate Advisory Limited (the “**Internal Control Consultant**”) as its independent internal control consultant to conduct a comprehensive review (the “**Internal Control Review**”) of the procedures, systems and controls (including accounting and management systems) in relation to the risk management and internal control mechanism of the Group and provide corresponding recommendations for rectification to the Company. The Internal Control Consultant is

an independent specialist business advisory firm, and has extensive experience in reviewing and advising on the internal control and corporate governance environment of companies listed on the Stock Exchange.

The scope of the Internal Control Review includes (i) carrying out necessary review procedures based on the existing procedures, systems and controls (including accounting and management systems); (ii) identifying internal control weaknesses; (iii) making recommendations and assisting the Group to enhance and strengthen the internal control mechanism so as to meet the requirements of the GEM Listing Rules; and (iv) conducting follow-up review on the remedial actions undertaken by the Group on the internal control deficiencies identified from the Forensic Review conducted by the independent forensic investigator engaged by the Company. The Internal Control Review has been conducted for the period from October 2025 to February 2026.

The key internal control findings identified by the Internal Control Consultant throughout the Internal Control Review, corresponding recommendation for rectification (the “**Rectification Recommendation(s)**”), the Company’s response and the remediation status are summaries as follows:

	Internal control weaknesses	Recommendations	Remediation Status
Financial Reporting and Disclosure Monitoring			
(1)	The Group did not have written financial reporting and information disclosure procedures. Relevant procedures relied on informal communication and proactive provision of financial reporting by the sole contact person of subsidiaries	<p>To make written financial reporting and disclosure management policies, in order to clarify the procedures, duties and time limits, and require all employees to comply.</p> <p>To require employees of the Company’s subsidiaries to back up relevant books and records in the hard disk and cloud drive designated by the Company every month.</p>	<p>Written financial reporting and disclosure management policies have been prepared, which includes financial budgeting, related parties transaction recognition and monitoring, subsidiary financial reporting preparation, monitoring, approval and consolidation timetable, and end of financial year accounts preparation task list.</p> <p>Connected transactions policies (including its identification, requirements, exemptions, responsibilities and</p>

	Internal control weaknesses	Recommendations	Remediation Status
			<p>approval and disclosure procedures) have been implemented.</p> <p>These policies have been submitted for the approval of the board (the “Board”) of directors (the “Directors”) of the Company and distributed to management of subsidiaries and financial team.</p> <p>The Group has designated responsible personnel of its subsidiaries to report to the financial controller of the Group on a monthly basis.</p>
(2)	<p>No clear division of responsibilities between the operational management and financial management (such as handling of bank accounts) of the overseas IT subsidiaries.</p> <p>The Group relied entirely on the same group of directors who were subsequently removed to report on its business operations and financial performance. The same person is simultaneously responsible for initiating, approving and executing payments and managing</p>	<p>To implement dual control process and require that any payment transfer require the authorisation of at least two different signatories.</p> <p>To ensure that personnel managing the daily operations do not have the sole access right to subsidiary bank accounts.</p>	<p>The Group’s internal notice was issued by the Board to senior management of the subsidiaries, which designated a main responsible officer for operations and a main responsible officer for financial reporting. The respective responsible officer shall report to the financial controller of the Company on a monthly basis.</p>

	Internal control weaknesses	Recommendations	Remediation Status
	related business operations with lack of checks and balance.		
Cash and Capital Management			
(3)	The Group did not have written capital management, bank account management and financial management policy.	<p>To make written capital management, bank account management and financial management policy to enhance financial control.</p> <p>To formulate clear capital management procedures, including cashflow recording, audit and approval process, to ensure the transparency and compliance in use of capital.</p> <p>In relation to bank accounts, to formulate standard procedures of account opening, change and closing, and to establish authority management in order to prevent unauthorised manipulation.</p> <p>To establish regular financial reporting mechanism, in order to ensure the accuracy and timeliness of financial information.</p>	<p>Written capital management, bank account management and financial management policy, fund management, financial management system, group seal management, capital management procedures, standard procedures of bank account opening, change and closing, and regular financial reporting policies have been approved by the Board and implemented.</p> <p>These policies have been submitted for Board approval and distributed to management of subsidiaries and financial team.</p>
(4)	The bank accounts of some overseas IT subsidiaries were operated	To stipulate the transaction approval authority of different	Written regulations on bank account transfers and payments have been

	Internal control weaknesses	Recommendations	Remediation Status
	by the directors of such subsidiaries only, causing a lack in check and balance.	<p>levels of employees according to the amount of bank transaction: relatively large transaction must be approved by at least two independent employees, for example, one local financial responsible person and one representative of the Company.</p> <p>To clearly distinguish the roles of “fund approver,” “online banking operator,” and “accounting recorder”. Personnel operating bank accounts should not simultaneously be responsible for corresponding accounting records or approval work, thus establishing effective internal controls.</p> <p>To require the overseas subsidiaries to report bank account balances and bank statements to the financial department of the Company every week.</p>	<p>made in capital and financial management policies.</p> <p>The signatories and custodians of the subsidiaries’ accounts have been separated from those of the financial seal and company seal.</p>
Entity Level Controls and Risk Management			
(5)	<p>Some of the Group’s IT subsidiaries only appoint one overseas director as sole director.</p> <p>This structure enables</p>	<p>To optimise the board structure and avoid appointing only one director in subsidiaries for diversity and rationality of decision-making.</p>	<p>Where as companies registered offshore have entered the litigation stage, for the facilitation of relevant administrative arrangements, Mr. Chan</p>

	Internal control weaknesses	Recommendations	Remediation Status
	<p>subsidiaries to make independent decisions without reporting to or obtaining approval from the Group in a timely manner, and prevents the Company from obtaining any subsidiary's information and financial data once it loses contact with the sole contact person.</p>		<p>Hoi Keung Terence, the company secretary, has now been appointed as the sole director for all of them.</p> <p>It will require at least two directors for an overseas company to be established in the future. Any changes in the shareholding or directorship of a subsidiary shall require approval from the Group's board of directors.</p>
(6)	<p>The Group was unable to provide written documents required in the Corporate Governance Code, including diversity policy, shareholders communication policy, whistleblowing policy and risk management review report.</p>	<p>To establish and implement comprehensive document management system, with clear process of document storage, passing and handover procedures.</p> <p>Relevant documents should be stored in the Company's computer system, and a record of document update time should be kept for easy tracking and management in the future.</p>	<p>A written document management system and policy have been established. These policies include arrangements for document storage, backup times, backup locations and responsible personnel. The Group has revised its corporate governance documents, including diversity policy, shareholder communication policy and whistleblower policy.</p>
(7)	<p>The Group did not require directors to regularly report their conflicts of interests.</p>	<p>To formulate policy to require all directors (including directors of the subsidiaries) to report declaration of conflict of interests at least annually, and to timely update the</p>	<p>Declaration of conflict of interests has been made and distributed to all directors and senior management to collect information and for their signature and</p>

	Internal control weaknesses	Recommendations	Remediation Status
		<p>Company in writing when there is a change.</p> <p>To require Board members and subsidiary directors to submit an annual conflict of interest declaration.</p>	<p>confirmation.</p> <p>If there is any conflict, the transaction can only proceed after approval by the Company's board of directors.</p>
(8)	The Group did not conduct continuous background and due diligence checks against the directors.	To establish and implement background and due diligence checks against directors, in order to ensure their suitability and make timely disclosures when necessary.	Background and due diligence checks have been conducted against the all current Directors, including negative media coverage and litigation records.
(9)	The Group did not use the e-Monitor Service provided by Hong Kong Companies Registry.	To subscribe e-Monitor Service to monitor the subsidiaries of the Group in Hong Kong. To designate specific manager to keep track of email notifications received under e-Monitor Service, and compare them with board resolutions passed.	The Company has subscribed to e-Monitor Service to monitor its Hong Kong subsidiaries. The recipient of such notification is Mr. Chan Hoi Keung Terence.

OPINIONS OF THE AUDIT COMMITTEE AND THE BOARD

The Board has reviewed the content and the findings and results of the Internal Control Review. The Company has been advised that the management has acknowledged and agreed with the findings and results by the Internal Control Consultant.

As at the date of this announcement, the Group has adopted and implemented the relevant remediation work in accordance with the Rectification Recommendations as detailed above, specifically on the financial disclosure and disclosure monitoring. The Company believes that adequate internal controls and procedures have been in place. Having considered the report of the Internal Control Review and the remediated actions taken by the Group, both the audit committee of the Board and the Board (including the independent non-executive Directors) are of the view that (a)

the enhanced internal control measures implemented by the Group based on the Rectification Recommendations are adequate and sufficient to address the key findings of the report of the Internal Control Review; (b) the remedial measures taken and updated internal control procedures implemented by the Company are effective to prevent, monitor and detect occurrence of similar incidents; and (c) the Company has established sufficient and reliable governance, internal control, and financial reporting systems to perform its obligations under the GEM Listing Rules.

The Board will continue to monitor the effectiveness of the Company's internal control system and procedures to perform its obligations under the GEM Listing Rules, and ensure our internal control policies and procedures are reasonable and adequate, and integrate them into its operations.

CONTINUED SUSPENSION OF TRADING

Trading in the Shares on the Stock Exchange has been suspended since 1 April 2025 and will remain suspended until further notice.

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

By order of the Board
Yu Tak International Holdings Limited
Mr. Chong Shui Pan
The Chairman

Hong Kong, 9 March 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 Director, 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.

This announcement will remain on the latest “Latest Listed Company Information” page of the Stock Exchange’s website at <https://www.hkexnews.hk> for at least seven days from the date of its posting and on the website of the Company at <https://www.yutak-intl.com>.