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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 INDEPENDENT FORENSIC 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 board (the “**Board**”) of directors of the Company (the “**Directors**”) has engaged an independent forensic investigator to conduct an independent forensic accounting review in respect of the loss of control over the revenue-generating subsidiaries in the Group’s IT business (the “**Incident**”).

### **THE FORENSIC REVIEW**

The Company has engaged AOGB Professional Consultancy Services Company Limited (the “**Independent Forensic Investigator**”) as its independent forensic investigator to conduct a comprehensive review (the “**Forensic Review**”) of the Incident and issue a report on such findings

(the “**Forensic Report**”). The Independent Forensic Investigator is an independent specialist business advisory firm, and has extensive experience in conducting forensic investigation of companies listed on the Stock Exchange.

The scope of the Forensic Review under engagement includes the following:

- (i) understand the responsibilities undertaken by the management of the Group’s IT segment and the background of changes in control of the Group’s Hong Kong, Taiwan and Malaysia subsidiaries;
- (ii) identify and review indications of collusion, fabrication or inflation of liabilities, and any attempt or act of misappropriating funds or assets;
- (iii) conduct interviews with management, legal advisers and relevant personnel to understand the background, timeline, motivations and current status of the matters;
- (iv) review legal opinions, government correspondence, court documents, share transfer records, internal approval documents, transaction data, contracts, invoices, payment processes and bank statements;
- (v) perform on-site visits to relevant entities in Hong Kong, Malaysia and Taiwan to understand actual operations and verify business substance;
- (vi) identify other potentially involved individuals or entities through interviews and documentation review, and confirm key facts using publicly available information;
- (vii) assess the operational impact by understanding the operating model prior to the Incident, evaluating arrangements for replacing duties previously handled by management of the Group’s IT segment and analysing financial and operational information for any material disruption; and
- (viii) communicate with external auditors to understand their areas of concern, obtain relevant supporting documentations and analyse whether the Incident has any material impact on the Group’s financial statements or indicates any internal control deficiencies.

### **The major investigation procedures**

The major investigation procedures conducted by the Independent Forensic Investigator included, but not limited to, the following:

- (i) collecting relevant materials and data, establishing the chain of evidence, and analysing and comparing the operational and financial situation of the Group before and after the Incident;

- (ii) conducting searches on PRC court judgments via public channels in order to verify that (a) Mr. Chong Shui Pan (formerly known as Chong Yu Ping) was listed as discredited person, and (b) Mr. Chong Shui Pan and Ms. Li Xia were subject to restriction orders on high amount consumption;
- (iii) conducting interview with the members of the Board, the management of the Company, board members of the Excel BVI Limited (“**Excel BVI**”), HR21 Holdings Limited (“**HR21 BVI**”), Excel China Investment (BVI) Limited, Excel Global IT Services Holdings Limited (“**Excel GITS**”), HR21 Limited (“**HR21**”), Excel Consulting and Solutions Sdn. Bhd. (“**Excel Malaysia**”), i21 Limited, New River Information Technology and Services Company Limited\* (新川資訊科技股份有限公司) (the “**Taiwan Subsidiary**”), Excel Investment China Limited, Infostar Ltd, Dongguang Excel International Finance and Technology Incubation Center Company Ltd, Excel Software (Shenzhen) Co Ltd, Wise Success Ltd, Excel International Limited, Excel Solution Technology Ltd, and Excel SSL Investment Limited (collectively, the “**IT Segment Companies**”) (including removed directors, i.e. Mr. Fung Din Chung Rickie (“**Mr. Fung**”) and Mr. Chan Sze Leung (“**Mr. Chan SZ**” and with Mr. Fung collectively, the “**Involved IT Management**”) and suppliers of the IT Segment Companies; and
- (iv) assessing the impact of the Incident on the Group’s operation and finance based on the discovery and analysis of the preliminary investigation.

On 6 March 2026, the Independent Forensic Investigator issued the Forensic Report detailing, among other matters, its findings of the Forensic Review.

### **Background information of the Incident**

The Company is an investment holding company incorporated in Bermuda with limited liability and principally operates in three major segments of (i) development, sale and implementation of enterprise software and provision of professional services, (ii) design and sales of gold and jewellery products, and (iii) design, production and sales of smart rehabilitation products.

Based on the Forensic Report, since the commencement of operations of the IT segment companies in or around 2012, the Group has developed diversified business segments. As the then executive Directors did not possess professional background of IT business and operations, the Board relied on Mr. Fung to supervise and manage the daily operations and development of its IT segment.

According to the minutes of Board meeting held on 28 May 2024,

- (i) the audited financial results showed that the IT segment of the Group incurred significant losses in the financial year ended 31 December 2023, and the loss might further escalate in the financial year ending 31 December 2024. Mr. Fung and Mr. Chan SZ, being the responsible management of the IT segment, were of the view that losses would continue, but failed to make any proposal to improve the business performance;

- (ii) as the Company required funds for its working capital, the Board proposed to fill the financial gap through a dividend distribution by Excel Malaysia. The Board, through Mr. Chan Hoi Keung Terence (“**Mr. Terence Chan**”), communicated the dividend distribution request to Mr. Fung, who represented the board of directors of Excel Malaysia. However, Mr. Fung expressly refused to cooperate or provide financial support;
- (iii) the refusal by the director(s) of the IT segment to carry out the Company’s requests posed challenges to the Board’s control over its IT segment. Thus, the Board decided to restructure the management of the IT segment to enhance its control; and
- (iv) the Board passed resolutions to remove Mr. Fung and other directors of the IT Segment Companies, appoint Mr. Terence Chan as the sole director of Excel BVI, the holding company of all IT Segment Companies, and authorise Mr. Terence Chan to appoint other persons as the director of any of the IT Segment Companies as he saw fit.

As disclosed in the Company’s announcement dated 29 July 2024, a Board resolution of the Company was passed on 28 May 2024 to remove Mr. Fung and Mr. Chan SZ as directors of Excel BVI, the direct wholly-owned subsidiary of the Company, which was the holding company of all IT Segment Companies, and authorised Mr. Terence Chan to take all such necessary actions.

On 5 June 2024, Mr. Terence Chan requested MayBank and the Hongkong and Shanghai Banking Corporation Limited (HSBC) to freeze the bank accounts of Excel Malaysia and HR21, respectively.

On 7 June 2024, the Group requested the IT Segment Companies to hand over key company documents, including books and accounts, seal, transaction contracts and bank statements. However, up to the date of the Forensic Report, the Company has received no response nor any requested documents from the IT Segment Companies.

### **Limitations of the Forensic Review**

The Independent Forensic Investigator encountered certain limitations during the process of the Forensic Review which may have limited the extent of the Forensic Review, including the following:

- (i) given that the shareholding and control of some of the IT Segment Companies had undergone changes, which are subject to disputes before or during the Forensic Review, and the Company was unable to access or obtain the complete books and account and operational data of those IT Segment Companies, the Forensic Review thus was based on the books and account and operational data accessible by the Company only;
- (ii) the Independent Forensic Investigator was not able to arrange interviews with Mr. Fung, Mr. Chan SZ, directors of Excel Malaysia and the representative of Excel Technology International (Hong Kong) Limited, being a supplier of the IT Segment Companies, and therefore was not able to obtain their recount of the Incident;

- (iii) the Independent Forensic Investigator was not able to arrange interviews with independent non-executive Directors who have previously resigned, namely Ms. Zhao Xiaxia and Ms. Na Xin, and therefore was not able to obtain their recount of the Incident; and
- (iv) the Independent Forensic Investigator did not conduct on-site visits or inspection. The findings were based on documents, written explanations and interview records provided by the Company. The Independent Forensic Investigator was unable to conduct on-site verification of the relevant assets, premises, personnel and business operations.

## **KEY FINDINGS OF THE FORENSIC REVIEW**

Based on the Forensic Report, the Company experienced incidents of appointment and removal of directors of multiple IT Segment Companies, suspected unauthorised shareholding transfers and winding-up petitions. These have resulted in the Company being unable to exercise control over the relevant subsidiaries and obtain their books and records for the purpose of supervision, overseeing, management and preparation of consolidated financial statements.

According to the minutes of the Board meeting held on 28 May 2024, in view of the operating performance and funding arrangements of the IT segment of the Group, the Board passed a resolution to initiate a restructuring of the directors of the IT Segment Companies and authorise the replacement of directors of the relevant subsidiaries to strengthen the Group's management and supervision over the IT segment operations.

On 5 June 2024, the Group issued notices of appointment and removal of directorship of certain IT Segment Companies, including Excel BVI and HR21, through a shareholders' resolution. These director appointment and removal arrangements subsequently encountered hurdles in some jurisdictions, including the Companies Registry in Hong Kong refusing to process the registration of changes in directors due to conflicting statements having been received by it despite the removal of directors having become effective. The Company remained unable to control the Involved IT Management and recover full sets of books and records of these companies.

On 11 July 2024 and as disclosed in the announcement of the Company dated 19 July 2024, each of Mr. Fung and Mr. Chan SZ were removed as directors of HR21, i21 Limited, Excel SSL Investment Limited and Excel Investment China Limited by ordinary resolution passed at the extraordinary general meetings with immediate effect.

Based on (a) the documents submitted at the Hong Kong Companies Registry; and (b) Mr. Fung's affirmations filed at the High Court of Hong Kong and their exhibits, Mr. Fung alleged that the shareholding of HR21 and Excel Malaysia originally directly or indirectly held by the Company through Excel BVI was transferred to Stellar Wings Limited and Will Mind Limited on 1 June 2024, with the following arrangements:

- (a) through share transfer, the direct controlling shareholder of HR21 changed from HR21 BVI to Will Mind Limited, and the direct controlling shareholder of Excel Malaysia changed from Excel BVI to Stellar Wings Limited;
- (b) through share allotment, Excel BVI became the direct shareholder of 90% of the shares of Stellar Wings Limited, and HR21 BVI became the direct shareholder of 90% of the shares of Will Mind Limited;
- (c) through a trust declaration, Mr. Fung as the trustee holds 10% of the shares of Stellar Wings Limited on behalf of Excel BVI and 10% of the shares of Will Mind Limited on behalf of HR21 BVI; and
- (d) by amending the articles of association of Stellar Wings Limited and Will Mind Limited, the consent of shareholders of at least 95% is required for passing certain shareholders' resolutions.

Through these changes in shareholding and articles of association, it would appear that the Company is still holding the controlling stake in Excel Malaysia and HR21, however, the Company cannot, through shareholder's resolution, conduct share transfer and removal of directors without the consent and/or approval of Mr. Fung. Based on the Forensic Report, the share transfers of HR21 and Excel Malaysia were not duly authorised by their respective shareholders. Specifically, the Independent Forensic Investigator has noted that the share transfers have the following characteristics:

- (a) Timing: the execution date of the key share transfer documents and filing forms is 1 June 2024, while the date of submission of the filing to the Companies Registry of Hong Kong is 18 June 2024.
- (b) Execution: the key share transfer documents (including the trust documents and company resolutions) were all signed by Mr. Fung.
- (c) Mode of operation: the share transfers were completed by introducing new intermediary companies, Stellar Wings Limited and Will Mind Limited. The articles of association of both of these companies stipulate that written resolutions of shareholders require no less than 95% of the voting rights to be effective. At the same time, Mr. Fung holds 10% of the entire issued share capital of these companies in his personal capacity but alleged to have held these shareholdings on behalf of Excel BVI and HR21 BVI, respectively. All articles of association were signed by Mr. Fung in his personal capacity and as a representative of the relevant BVI entities.

- (d) Approval requirements: the Group issued a formal letter to Mr. Fung and other directors of the IT Segment Companies in 2019 requiring subsidiary directors to obtain written approval from the parent company's board of directors before executing specific transactions. The share transfers of HR 21 and Excel Malaysia were the personal actions of Mr. Fung, who did not obtain authorisation and approval from the Group and the Company was unaware of the transactions at the time.
- (e) Registration of change: the Hong Kong Companies Registry only required filing of form that is signed by a director in order to register share allotments, and shareholder's authorisation approval is not required. In addition, the Hong Kong Company Register does not require Hong Kong companies to register its share transfers or update its list of shareholders except in the annual returns filing, which is only required annually within 42 days from the anniversary of the incorporation of such company. The failure to file the annual return within the deadline only incurs higher registration fees. There is no requirement for the records of companies submitted at the Hong Kong Company Registry to be promptly verified by the Hong Kong Companies Registry.

Reports were made with the Hong Kong Police on 25 July 2024 and 18 December 2024 and with the Malaysia Police on 10 October 2024 on the unauthorised share transfers of HR21 and Excel Malaysia. As at the date of the Forensic Report, the Group has not received any updates on the progress of the respective police investigations.

The Group has also commenced proceedings in the High Court of Hong Kong against Mr. Fung, Stellar Wings Limited and Will Mind Limited on the unauthorised share transfers of HR21 and Excel Malaysia (HCA 1655/2024 and HCA 2013/2024). As at the date of the Forensic Report, these proceedings are still ongoing.

According to the Forensic Report, as the Involved IT Management failed to resign as directors of the IT Segment Companies as required by the Group and refused to hand over key documents belonging to these subsidiaries, the Company believes that it lost control of the IT segment from 5 June 2024. Subsequently, due to the Company's inability to retrieve key financial data of the IT Segment Companies, the Company was unable to publish the Group's financial information for 2024 Financial Year in a timely manner and in accordance with the requirements with the GEM Listing Rules, which has resulted in the suspension of trading of the shares of the Company on GEM of the Stock Exchange since 1 April 2025.

### ***HR21 BVI and HR21***

Following the share transfers of HR21 and HR21 BVI, although the Group has maintained control of HR21 BVI and HR21 from the perspective of shareholding, with (a) the amendments of the articles of association of Stella Wing Limited and Will Mind Limited; (b) Mr. Fung being a trustee of 10% of the shares in Stella Wing Limited and Will Mind Limited, and (c) pending the outcome of the court

proceedings in respect of the unauthorised share transfers, the Group remains unable to implement a change in directorship of HR21. As such, as the date of the Forensic Report, the Group has not regained control of HR21.

On 11 February 2025, a former employee, Chan Yuet-fung filed a winding-up petition against HR21 with the High Court of Hong Kong (HCCW 377/2025) in respect of unpaid wages, redundancy payment and payment in lieu of notice amounting to HK\$410,242.90, with the unpaid balance at HK\$171,472.41 as at 24 June 2025. A winding-up order was subsequently issued on 27 August 2025. On 13 February 2026, Mr. Terence has written to Ernst and Young, being the liquidator of HR21 to clarify the position of Mr. Fung in the Group of being an unauthorised personnel and request participation in the liquidation as the sole director of HR21.

### ***Excel Malaysia***

Based on the Forensic Report, assuming the authenticity of the trust documents and the past management and operation circumstance of the Group, the Company remains the ultimate holding company for Excel Malaysia and the Company has commenced legal proceedings in the High Court of Hong Kong for a temporary injunction regarding the disposal of the shares in Excel Malaysia. As such, while the share transfers of Excel Malaysia are unauthorised, the Company has not lost control of the Excel Malaysia from a legal perspective.

To prevent potential misappropriation of funds, the Group requested the bank to freeze the bank accounts of Excel Malaysia on 5 June 2024. While this measure prevented immediate fund outflows in relation to risk of misappropriation, it also has led to insufficient liquidity for the Group, which affected the Group's operations. As at the date of the Forensic Report, the bank accounts of Excel Malaysia remained frozen.

Excel Technology International (Hong Kong) Limited, being a supplier of the Group in respect of its IT segment operations, commenced winding-up proceedings in Malaysia against Excel Malaysia on an alleged outstanding debt of Malaysian Ringgit 2,309,472.02 pursuant to certain reseller agreements. As at the date of the Forensic Report, the court hearing in respect of such proceedings has not been held and it has been fixed to be held on 11 March 2026.

### ***The Taiwan Subsidiary***

The Taiwan Subsidiary was wholly-owned by Excel GITS. On 5 June 2024, Infostar Ltd. transferred its entire shareholding of Excel GITS, representing the entire issued share capital of Excel GITS, to Excel BVI and Excel BVI became the direct controlling shareholder of Excel GITS. The documents effecting the share transfer was executed by Mr. Terence Chan for and on behalf of Infostar Ltd. and Excel BVI.

According to documents submitted with the Financial Supervisory Commission of Taiwan, on 1 June 2024, Infostar Ltd. has transferred its entire shareholding of Excel GITS, representing the entire issued share capital of Excel GITS, to Stellar Wings Limited at a consideration of US\$1.00. The share transfer was registered by Excel GITS's former BVI registered agent on 15 August 2024.

According to the certificate of incumbency issued on 20 September 2024 by the current BVI registered agent of Excel GITS, its sole director is Mr. Terence Chan (with effect from 5 June 2024) and its sole shareholder is Excel BVI, which held 500,000 shares of Excel GITS.

As disclosed in the announcement of the Company dated 8 August 2024, the Company shall commence removal of directors of the Taiwan Subsidiary upon the finalisation of the registration of the share transfer of Excel GITS in order to regain control of the Taiwan Subsidiary.

On 25 August 2025, Mr. Hui Hong Xuan, a local representative of the Group, was appointed as director of the Taiwan Subsidiary by Excel GITS for a term of three years. The appointment was submitted for registration on the same day and was approved on 4 September 2025.

On 5 September 2025, the authorised personnel of the bank accounts of the Taiwan Subsidiary was changed to Mr. Hui Hong Xuan and subsequently on 10 September 2025, Mr. Hui Hong Xuan issued notice to all staff of the Taiwan Subsidiary on the change of directorship.

Based on the Forensic Report, while the Taiwan Subsidiary has legally completed the change of directorship, its local staff refused to recognise Mr. Hui Hong Xuan as the director and Mr. Hui Hong Xuan was refused access to the office premises and its books and records, which prevented Excel GITS and the Group from effectively taking over the operations of the Taiwan Subsidiary.

### ***Other findings***

During the review process of the Independent Forensic Investigator, several conflicts of interest were also discovered. A Ms. Peggy Chan (徐陳美珠) was the founder and chairman of Excel Technology, the Group's supplier for its IT business segment, while Mr. Fung, a former director and manager of the IT Segment Companies, served as the business development director of Excel Technology and Mr. Chan SZ served as its China operations director. Between 2022 and 2025, Ms. Peggy Chan served as a director of Excel Technology and Mr. Chan SZ served as its company secretary. Furthermore, following the Incident, Excel Technology and its subsidiaries took out winding-up petition and debt recovery proceedings against HR21, Excel Malaysia and Excel Shenzhen, while Mr. Fung was then a director of these subsidiaries that indicates a conflict of interest.

### ***Financial impact of the Incident***

According to the annual reports of the Group, the revenue of the Group's IT segment for the year ended 31 December 2021, 2022, 2023 and 2024 is set out as follows:

- 2021: HK\$17,860,000 (approximately 43% of the Group's revenue)

- 2022: HK\$16,160,000 (approximately 56% of the Group's revenue)
- 2023: HK\$10,090,000 (approximately 47% of the Group's revenue)
- 2024: Reported as losses from discontinued operations in its annual report. Revenue from the IT segment were not separately disclosed.

As the Company has lost control over its IT segment, the operating segments of the Company have changed from three major segments to two major segments of (i) design and sales of gold and jewellery products, and (ii) design, production and sales of smart rehabilitation products. The segments operate independently from each other, and the Company has not made any significant adjustments to its governing structure as a result of the Incident. The Forensic Report has not discovered any operational impact on the Group's other business segments as a result of the Incident.

According to the annual report for the year ended December 31, 2024, the IT segment's results were only included up to June of that year. Comparing pre-tax loss figures between 2023 and 2024, losses from continuing operations decreased from HK\$11.58 million to HK\$9.44 million, a reduction of HK\$2.14 million. Losses from discontinued operations rose sharply from HK\$2.26 million to HK\$46.39 million, an increase of HK\$44.13 million.

In terms of assets and liabilities, the complete deconsolidation of the IT segment's assets and liabilities reduced its reportable figures from HK\$61.29 million and HK\$234.31 million respectively to zero. As a result, the group's total assets fell from HK\$1,149.6 million in 2023 to HK\$491.8 million in 2024, a decline of 57.2%. Meanwhile, total liabilities decreased from HK\$317.9 million in 2023 to HK\$290.3 million in 2024, a decline of 8.7%.

## **OPINION OF THE BOARD**

In the Board's assessment of the impact of the Incident on the Company, the Board (including the independent non-executive Directors) is of the view that the content and findings of the Forensic Report are comprehensive, reasonable and acceptable and it has adequately addressed the facts and issues leading to the Incident. The Board is of the view that the Incident do not have material adverse impact on the business operations (other than the operations of the Group's IT segment) of the Group as the business segments operate independently of each other and the IT segment business has been removed as a business segment of the Group for the year ended 31 December 2024 since June 2024. The Board shall continue to use its best efforts to recover control and assets of its IT Segment Companies.

## **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>.*

*\* for identification purpose only*