

City Credit Investment Bank Limited
(in Interim Liquidation)

Report of the Interim Liquidator
for the period from 16 October 2023 to 15 April 2024

2 May 2024

Strictly Private and Confidential

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1. Introduction

- 1.1 On 16 October 2023, pursuant to an order of the High Court of Sabah and Sarawak at the Federal Territory of Labuan, Mr Luke Anthony Furler of Quantuma (Singapore) Pte Limited, was appointed as the Interim Liquidator (“**Interim Liquidator**”) of City Credit Investment Bank Limited (in Interim Liquidation) (the “**Company**” or “**CCIB**”).
- 1.2 This is a preliminary report prepared by the Interim Liquidator about the Company’s business, affairs, financial circumstances, and events occurring during the period from 16 October 2023 to 15 April 2024, including:
 - Background information about the Company;
 - Investigations on the Company’s affairs;
 - Work performed as of to date; and
 - Immediate focus and next steps.

2. Disclaimer

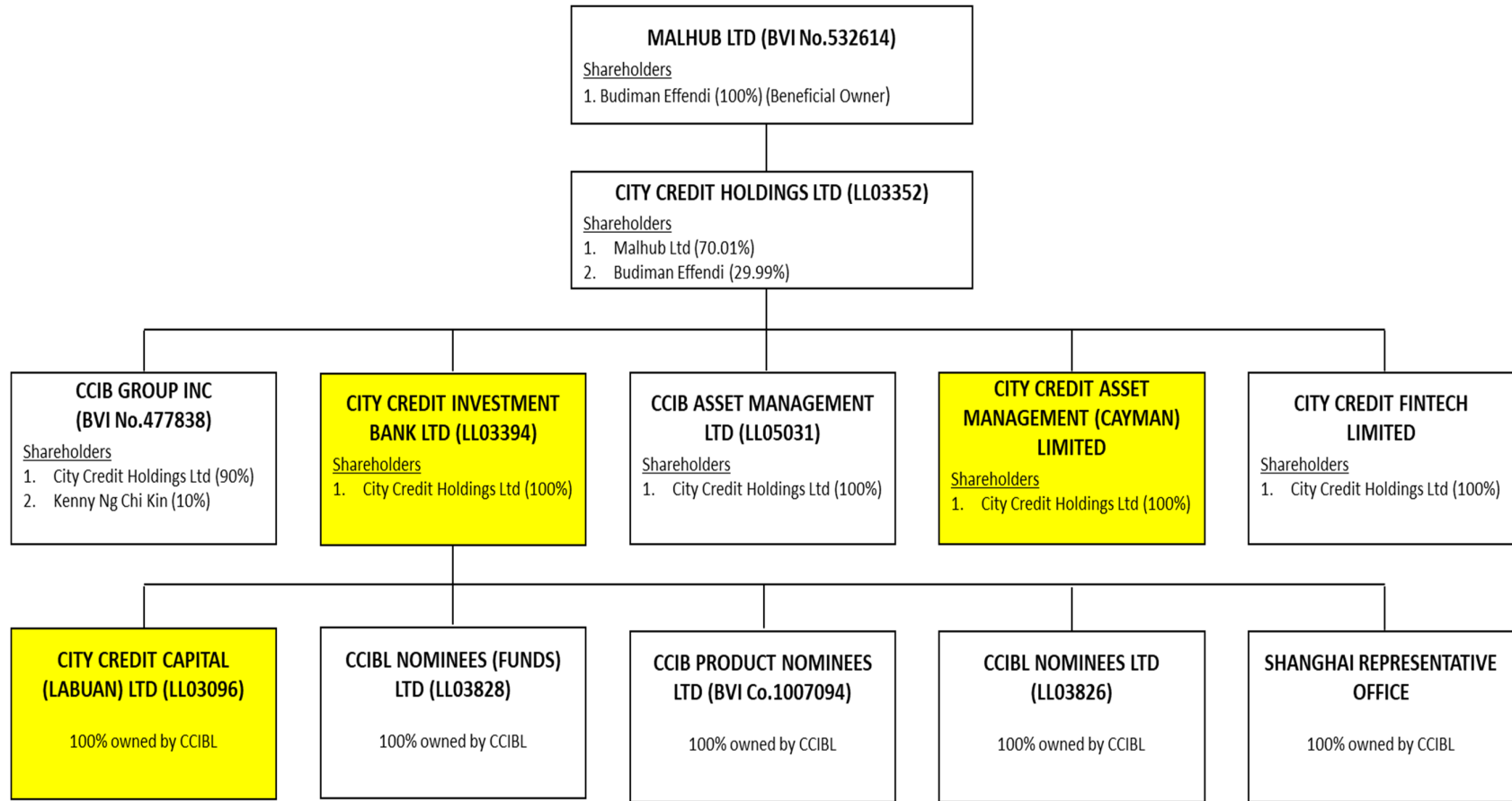
- 2.1 The Interim Liquidator, in undertaking his work and preparing this report, has principally relied upon information and documentation from the records of the Company as provided to him and his team by persons engaged by the Company to perform the necessary duties and from the Company's employees, or from public sources. The information made available has not been independently verified or audited by the Interim Liquidator. Except where specifically stated, the Interim Liquidator has not sought to establish the reliability of the sources of information presented to them by reference to independent evidence.
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3. Background of the Company

Corporate Structure of the Company

- 3.1 The Company was incorporated on 22 August 2002 in the Federal Territory of Labuan, Malaysia (“**Labuan**”) under the Offshore Companies Act 1990 of Malaysia and it is a licensed bank registered with the Labuan Offshore Financial Services Authority (“**LOFSA**”).
- 3.2 Based on the Company’s director register as at 31 October 2023, the directors of the Company were and still are Tan Sri Hanafiah bin Hussain (“**Tan Sri**”) and Budiman Effendi (“**Budiman**”). Another director – Datuk Azizan Abd Rahman resigned on 21 August 2023.
- 3.3 The Company’s principal officer is Charles Chan (“**Mr Chan**”), who is also the general manager of the Company and its subsidiaries.
- 3.4 Following the appointment of the Interim Liquidator, the powers of the directors and Mr Chan are suspended.
- 3.5 Based on work done to date, it appears that senior management of the Company, including Mr Chan, were acting on behalf and/or in accordance with the instructions of a person or a group of people based outside of Malaysia and who are not the named directors or shareholders of the Company (“**External Management**”).
- 3.6 The corporate structure of the Company and its related entities were provided by the Company’s Chief Financial Officer (“**CFO**”) and is illustrated at Diagram 1 below.

Diagram 1



Entity in Interim Liquidation/ Liquidation

Business Overview of the Company

- 3.7 Since its inception, the Company has represented itself as offering financial and investment products to both individual and corporate clientele. Based on a preliminary review of company documents, external news reports and communication with parties who claim to be creditors or creditors' representatives, it appears that the majority of investors in the Company are located in Taiwan with an estimated 5,000 individuals owed approximately USD 1.1 billion as at the date of the appointment of Interim Liquidator (now referred to as the "**Creditors**").
- 3.8 For every product offered, the Company would create a "**Fact Sheet**" detailing the investment details such as agents involved, investment size, tenure, return, the overall investment proposal, and use of funds. Once funds had been raised, the Company represented that it would allocate funds received from clients' subscriptions according to the respective investment proposal of each product as set out in the Fact Sheet. From my review so far, the capital raised for each product does not appear to have been used in the way indicated in the respective Fact Sheets.
- 3.9 An overview of the business operations process, being the receipt of clients' subscription funds and its allocation process, is summarised below:
- a) Account opening
 - a client would need to complete the "**account opening form**".
 - the Company's fund department will conduct compliance and Know Your Client ("**KYC**") checks on the client.
 - once KYC checks are completed, the fund department will open an online account for the client via an online platform hosted by a Hong Kong based IT solutions provider (the "**Client Portal**")
 - b) Online subscription
 - using the Client Portal, the client would subscribe to their preferred products offered by the Company and sign the "**subscription application form**".
 - c) Funds received from client
 - the client will transfer funds according to the amount stated in the subscription application form.
 - d) Allocation of funds
 - an internal investment proposal form is issued which would serve as an instruction to the Company's Fund Department to allocate subscribed funds collected from clients. Based on work done to date, this was not consistent with the Fact Sheet which will be discussed further in this report.
- 3.10 The Interim Liquidator understands that the Client Portal, which keeps track of all client information, was shut down sometime in or around March 2023. When questioned, the CFO reported that the account for the Client Portal, was held in the name of a subsidiary of the Company, and the subsidiary had not paid the platform fee, leading the service provider to shut down the Client Portal. Creditors have been unable to access or view their accounts since the Client Portal was shut down.

Fund allocation differs from original location stipulated in the Fact Sheet

- 3.11 The Company represented to clients that it would allocate funds received from them to the specific investments, as outlined in the respective Fact Sheets. However, the preliminary observation is that, once a product has been fully subscribed, an internal one-page investment proposal note was issued to direct the Company's fund and finance department to allocate the funds differently from what was originally stipulated in the Fact Sheet. That is, the funds received by clients were not invested per the description as set out in the Fact Sheet.
- 3.12 As an illustrative example, the Company introduced a product named "Canadian Student Housing Investment Note" ("**CSHI Note**") with the stated objective of providing stable distribution and long-term capital growth through investments in a diversified portfolio of purpose-built student accommodation located in Canada. According to the Fact Sheet, the investment goal is to achieve capital appreciation by acquiring land or properties in prime locations for development and redeveloping this into student housing. However, once fully subscribed, an internal instruction was issued to allocate the funds received to other destinations including one of the Company's subsidiaries, City Credit Capital (Labuan) Limited (in Liquidation) ("**CCC**").
- 3.13 Requests have been made to access the records of CCC but the liquidator of CCC has not provided the information necessary for our investigations, despite numerous requests to do so (discussed further at **Section 5 – Investigations into the Company's affairs**). The Interim Liquidator has not located any documents in his initial review of the records of the Company to indicate any investment in Canadian property as represented, nor does it appear that funds were sent to Canada (or elsewhere) for the purpose of the indicated property investment.
- 3.14 Based on preliminary review, most of the alleged investment products issued by the Company have an investment modus operandi similar to the CSHI Note, with most of the funds being channeled through a few entities and ultimately transferred to CCC.

4. Estimated Statement of Affairs of the Company

- 4.1 In an effort to determine the financial position of the Company, the Interim Liquidator has begun work to prepare an Estimated Statement of Affairs (“**ESOA**”) to illustrate the financial position of the Company as of 15 April 2024. It should be noted that the ESOA provided herein does not include the Interim Liquidator’s fees and costs of the interim liquidation process. For the purposes of the ESOA, the Interim Liquidator has relied upon the Company’s latest books and records, including bank statements and fund reports made available to and provided by the Company’s employees, which have yet to be reviewed and verified in detail.
- 4.2 Based on Interim Liquidator’s initial assessment, it is likely that the Company does not have sufficient assets to meet its liabilities, with estimated liabilities surpassing estimated realizable value of assets by more than USD 967 million.
- 4.3 Further detailed investigations are required around the realizable value of the alleged investment. The ESOA states some values as “**unknown**” where the Interim Liquidator has not yet been able to locate supporting documentation or the quantum of amount recoverable is uncertain.
- 4.4 The detailed ESOA as of 15 April 2024 can be found at Diagram 2 below.

Diagram 2**Estimated Statement of Affairs as at 15 April 2024**

	<u>Note</u>	Extracted from Company's management account as at 30 September 2023 (US\$)	Estimated Realisable Value as at 15 April 2024 (US\$)
Assets			
Fixed assets		102,829	-
Cash and cash equivalents	(a)	8,601,989	7,827,060
Investment in affiliated companies	(b)	1,057,723,260	unknown
Provision for diminution in value of investments		(527,389,682)	unknown
Loan provided to 3 rd party	(c)	4,520,681	4,520,681
Sundry debtors	(d)	470,722	unknown
Accounts receivable	(e)	37,142,993	unknown
Other assets		173,092	-
		581,345,885	12,347,741
Liabilities			
Amount due to clients who has subscribed to the Company's products	(f)	(902,502,025)	(902,502,025)
Amount due to holding Company	(g)	(14,000,000)	unknown
Amount due to a related company	(h)	(4,642,118)	(4,642,118)
Amount due to Contract For Difference ("CFD") clients	(i)	(16,204,886)	(16,204,886)
Sundry creditors	(j)	(56,763,889)	(56,763,889)
Other creditors		(217,417)	(217,417)
		(994,330,335)	(980,330,335)
Net Assets / (Liabilities)		(412,984,451)	(967,982,594)

Notes to the ESOA

a) Cash and cash equivalents

- 4.5 Cash available in the Company's bank accounts as of 15 April 2024 totaled USD 7.83 million. The Interim Liquidator has obtained control over a total of USD 6.73 million held in several bank accounts. The balance of USD 1.10 million is held by Sumitomo Mitsui Banking Corporation ("**SMBC**") in Japan, is discussed below.

Cash held at SMBC in Japan

- 4.6 Based on documents obtained, the Company had a bank account with JPY 167 million (approximately USD 1.10 million) held at SMBC in Japan. On 27 October 2023, the Interim Liquidator wrote to SMBC Japan to confirm the balance held by the Company and on 15 November 2023, a visit was made to the SMBC Labuan branch office to inquire on the status of the Company's SMBC bank account.
- 4.7 The SMBC Labuan branch office representative informed the Interim Liquidator that "*I-securities filed a petition for a provisional seizure order against CITY CREDIT INVESTMENT BANK LIMITED as the obligor, and obtained a provisional seizure order against the ordinary deposit receivables of CITY CREDIT INVESTMENT BANK LIMITED located at SMBC Nihonbashi Higashi Branch*".
- 4.8 The Interim Liquidator has since instructed Japanese legal counsel to initiate a recognition process in Japan to secure the SMBC account.

b) Investment in affiliated companies

- 4.9 The Company has net investments outstanding of USD 1,033,764,625¹ as of 15 April 2024, with over 85% of these investments currently recorded as amount due from CCC/Investments in CCC. CCC was placed into creditors' voluntary liquidation initiated by Budiman in his capacity as director of CCC in June 2023. This process was initiated on the premise of a debt owed to the Company, which is wholly owned by the Company. Again, it is important to note that such transfers would typically contradict what was represented in the Fact Sheet sent to investors, which indicated that their investments would be invested in specific products, and not merely sent directly to CCC. The remaining investments have mainly been placed with entities which are either in liquidation or have commenced winding up proceedings.
- 4.10 Given the status of these entities, it is difficult to assume any meaningful recoveries for the Company. Consequently, it is unlikely that the Company will be able to meet its debts as they become due.

¹ This amount derived from an investment listing provided by the Company. Investigations are ongoing on the veracity of the information provided.

c) Loan provided to a 3rd party

- 4.11 The Company extended a loan amounting HKD 35,000,000 (approximately USD 4,500,000) to a 3rd party in October 2018. The tenure of the loan has been extended four times by way of four supplemental loan agreements. The Interim Liquidator has written to the borrower and further updates will be provided to Creditors in the next report.

d) Sundry debtors

- 4.12 The majority of sundry debtors comprise from losses made from historical investments made and loan extended to Mr Chan amounting USD 40,000.

e) Accounts receivable

- 4.13 This amount pertains to the outstanding commission fees owed by CCC to the Company.

f) Amount due to clients who has subscribed to the Company's products

- 4.14 This amount pertains to the outstanding balance owed to clients who have subscribed to the Company's products. Initial findings conclude that the majority of these clients are based in Taiwan, with approximately 5,000 clients (i.e. the Creditors) currently registered in the Company's records.

g) Amount due to holding company

- 4.15 This sum represents the outstanding dividend payment declared in 2014 that has not yet been disbursed to the City Credit Holding Company ("CCHL"), the immediate parent of the Company.

h) Amount due to a related company

- 4.16 This amount pertains to all outstanding management fee for the period from 2018 to 2022 owed to a related company.

i) Amount due to Contract For Difference ("CFD") clients

- 4.17 This amount pertains to the outstanding balance owed to corporate clients who have previously traded directly on the Company's online platform.

j) Sundry creditors

- 4.18 This amount pertains to the outstanding balance owed to an investment manager of the Company.

5. Investigations into the Company's affairs

- 5.1 Since the appointment of the Interim Liquidator, the Interim Liquidator's team has largely focused on securing and preserving the assets of the Company including its cash at bank, books and records, computers, and servers. Investigation work has also begun on the affairs of the Company.
- 5.2 In undertaking this investigation, the Interim Liquidator's team conducted an initial review of the available books and records and have held interviews with various employees and senior management of the Company. The purpose of these endeavors is to shed light on the circumstances surrounding the Company's status to date, employing the use of forensic techniques to ascertain the accuracy and legitimacy of financial transactions, internal controls, and overarching business operations.
- 5.3 The Interim Liquidator has identified several areas of concern that may have contributed to the business failure and apparent insolvency of the Company. These concerns are delineated into several categories referred to in this section.
- 5.4 In recognizing the complexity of the case, with multiple entities involved across multiple jurisdictions around the globe, it is important to note that the investigation results, while underway, are not concluded to date. Further time and inquiries are essential to ensure a comprehensive and accurate depiction of the Company's affairs, the underlying causes of its failure, any wrongdoing committed and avenues for recovery of funds for the benefit of Creditors.

Insolvency of the Company

- 5.5 As highlighted in paragraph 4.9 above, the Company directed over 85% of clients subscribed funds into CCC.
- 5.6 Based on an initial meeting the Interim Liquidator's team had with the CFO on 19 October 2023 at the Company's office in Labuan, the CFO reported that the Company's "*current poor financial situation*" was mainly due to CCC's inability to meet withdrawal requests and repayment of investments back to the Company as they were also faced with the same withdrawal issue from their counterparties. The CFO further explained that the Company had engaged legal counsel to assist with recovery from these counterparties but attempts to contact them were unsuccessful. He also indicated that the counterparties have commenced winding up proceedings and therefore believed that it would be difficult to obtain any recovery of the funds owed by these counterparties, and in turn, to the Company.
- 5.7 Based on the review of available information, it appears that the Company and CCC are collectively owed over USD 2.7 billion by the counterparties.
- 5.8 Internal communications indicate that the Company first identified its inability to pay debts as and when they fall due (a common test for insolvency), as early as October 2022.

- 5.9 The Interim Liquidator understands that the key management team within the Company may have been made aware of the severe cash flow shortages from as early as June 2022 and this financial pressure did not ease in the period leading up to the appointment of liquidators to CCC in June 2023. As previously identified, the fact that more than 99% of the Company's receivables are from entities in insolvency or similar proceedings together with the issues stated by the CFO on the counterparties, it is difficult to come to any other conclusion other than that the Company is insolvent, and the management of the Company are aware of the same.

Taiwan media – Alleged Scheme

- 5.10 As noted above, many of the Creditors of the Company are located in Taiwan and the collapse of the Company and its related entities has been widely covered in Taiwanese media. Summarised in this section are various news reports that cover the collapse of the Company and its related entities, many of which allege that the group operated a long running international "Ponzi Scheme".
- 5.11 Copies of the four news articles in traditional Chinese with certified translations in English may be found at **Appendix 1**.
- 5.12 The articles highlight that the Company, CCC, Ayers Alliance Financial Group Limited ("**AAF**G") - a Cyprus registered entity, and several other companies are all related to Easthill Financial Group Limited ("**Easthill**"). Described as the largest scam in Taiwan's history, the apparent interconnected business operations of these entities, as stated in the articles, underscore the potential gravity of the situation (now referred to as the "**Alleged Scheme**").
- 5.13 On 6 March 2024, another article was published in Malaysian, Taiwanese, and Singaporean newspapers, reporting that 12 management executives of Taiwan-incorporated entities, alleged to be linked to Easthill and selling investment products to Taiwanese citizens, have been arrested by Taiwanese authorities and are out on bail. A copy of the Singaporean news article in simplified Chinese with certified translations in English may be found at **Appendix 2**.
- 5.14 While the authenticity and accuracy of the articles are pending verification, we consider, from our preliminary investigation, that the articles warrant further investigation.

Budiman – the shareholder and director of CCHL and its subsidiaries

- 5.15 Budiman was listed as the director and shareholder of CCHL and its subsidiaries, including the Company. However, the Interim Liquidator has not identified the details of the role he plays in the Company's daily operations. The Interim Liquidator noted that he did not appear to hold an official Company email address and he was not copied into, the day-to-day operational correspondences of the Company.
- 5.16 Since the appointment of Interim Liquidator on 16 October 2023, the Interim Liquidator has made several attempts to invite Budiman for a meeting to discuss the Company's affairs. However, he has consistently declined.

Summary of investigation status

- 5.17 The Interim Liquidator's preliminary investigations summarised in this report highlights a number of critical issues that require further investigation. It appears that the Company and other key individuals and entities are ultimately related to Easthill.
- 5.18 Our initial work indicates that there has been deliberate and unauthorised use of client funds, through a complex web of companies incorporated around the globe. While the Company appears to have been able to meet redemption requests of investors historically by raising new capital, this ability stopped sometime in 2022 and 2023 which triggered a sequence of insolvency appointments of various entities related to the Company.
- 5.19 The potential misappropriation of funds creates a cycle of financial dependency requiring further investigation to unveil the real beneficiaries of the Alleged Scheme. The Interim Liquidator is still investigating into this and will provide further updates at the appropriate juncture.

Dealing with CCC's liquidator – Datuk Alvin Tee Guan Pian of UHY Malaysia

- 5.20 In the process of tracing the flow of funds from the Company, the Interim Liquidator encountered difficulties in conducting further investigations, as a significant amount of information was inaccessible at the CCC level, discussed further in the following section.
- 5.21 The Interim Liquidator is aware that CCC has been placed into creditors' voluntary liquidation in June 2023. Budiman initiated the liquidation process in his capacity as director of CCC, and the Company appointed the CFO as its proxy to attend CCC's creditors' meeting (as shareholder of CCC) and to vote for the appointment of Datuk Alvin Tee Guan Pian ("**Datuk Alvin**") of UHY Malaysia as the liquidator of CCC. As already highlighted, the Company maintains that it is the largest creditor of CCC, with over USD 880 million owed by CCC to the Company. It is this claim, together with the 100% shareholding in CCC, that was used to essentially guarantee the appointment of Datuk Alvin as liquidator of CCC.
- 5.22 Since his appointment on 16 October 2023, the Interim Liquidator has reached out several times to Datuk Alvin for communication and information and also for collaboration on efforts to understand the status of CCC as would be typical in any group insolvency in Malaysia and globally. Unfortunately, we have yet to have meaningful interaction with UHY and/or Datuk Alvin.
- 5.23 The Interim Liquidator is also aware that certain books and records of the Company (approximately 300 boxes) are being kept in a warehouse controlled by Datuk Alvin. The Interim Liquidator has written letters to Datuk Alvin to request access to the warehouse and to facilitate the access and examination of the books and records to the Company's warehouse and for their relocation if so needed.
- 5.24 On 28 December 2023, a letter was received from the CCC's legal counsel, but the letter was sent without attachment. On 12 January 2024, CCC's legal counsel sent the aforementioned attachment but has yet to respond to the Interim Liquidator's request for handover of the key to the warehouse, where the Company's books and records are kept.

- 5.25 Given the lack of cooperation from Datuk Tee, the Interim Liquidator has instructed his legal counsel to make an application to Court demanding Datuk Tee release the books and records held in their possession to the Company.
- 5.26 Based on our interactions with Datuk Alvin, there are reasons to question his independence and professionalism. His ongoing refusal to communicate despite six months of requests made, coupled with the fact that his appointment was initiated by the Company and supported by the Company in its capacity as the largest creditor of CCC.
- 5.27 Collaborative efforts are essential and are required between CCC and the Interim Liquidator to properly understand the Company's business and to facilitate any meaningful asset recovery. Given CCC's crucial role in the entire asset recovery process of the Company, and the lack of information of the conduct of CCC's liquidation, the Interim Liquidator would support the appointment of an independent insolvency professional with experience in complex cross border matters to conduct the winding up of CCC in place of Datuk Alvin.

6. Work performed to date

6.1 Set out below is a summary of work performed by the Interim Liquidator for the period from 16 October 2023 to 15 April 2024:

Taking over possession of the office premises located in Labuan ("Office") and books and records of the Company

- i) secured the physical premises of the Company;
- ii) secured approximately 350 cartons of physical books and records of the Company and moved over 200 boxes of physical documents to a secured location;
- iii) made several requests to CCC's liquidator to access the Company's books and records held in the warehouse under the control of CCC's liquidator;
- iv) performed forensic data imaging of over 50 computer desktops and two IT servers of the Company;
- v) secured minutes books and Company's register books from the secretary of the Company; and
- vi) taking possession of soft copy of accounting records of the Company (i.e. general ledgers, management accounts, and agreements/contracts).

Human resources ("HR")

- i) notified employees of the effect of interim liquidation and communicated with them regularly, answering queries relating to any concerns regarding their employment with the Company;
- ii) conducted interviews with key employees to better understand the roles of their respective divisions;
- iii) taking physical possession of employees' contracts and leave (of absence) records from the CFO, who was in charge of HR matters, following the termination of the HR department in early 2023;
- iv) ascertaining effective use of HR against the apparent dormant/inactive status of the Company; and
- v) initiated phase 1 termination by terminating seven employees of the Company.

Securing assets of the Company

- i) changed authorised signatory of all bank accounts of the Company;
- ii) liaised with LOFSA and Maybank to take control of operational bank accounts of the Company;
- iii) engaged with SMBC Japan to understand the seizure order on the Company's SMBC account;
- iv) sent demand letters to debtors for the amount owed to the Company;
- v) sent letters to 3rd party to recall the loan provided by the Company to them;
- vi) engage with liquidators of CCC and other relevant entities to seek collaboration on the asset recovery process; and
- vii) appointed and worked with legal counsel and other expert parties to investigate various areas of concern.

Investigations

- i) held meetings with key employees to understand the nature of the business and events leading to the insolvency of the Company;
- ii) conducted searches via public domains to understand the individuals and entities involved in the Alleged Scheme (e.g. articles posted in Taiwan Media, searches on entities involved in different jurisdictions – Hong Kong, British Virgin Islands, Cayman Islands, Labuan, Indonesia, Australia, and New Zealand);
- iii) drafted interim liquidator's report to update the creditors on the status of the Company; and
- iv) drafted interim liquidator's reports to update the Court on the preliminary investigation status and issues revealed during the investigations.

Legal matters (for the avoidance of doubt all legal matters are legally privileged and no waiver is intended by referring to them in this report)

- i) engaged global legal advisors to assist the Interim Liquidator on: (a) with legal analysis and advice; and (b) to co-ordinate the potential recovery actions in multiple jurisdictions; and
- ii) engaged legal advisors to assist the Interim Liquidator on legal matters in Japan, Labuan, Hong Kong, Cayman Islands and British Virgin Islands.

Engage with Creditors

- i) attended to numerous enquiries by Creditors; and
- ii) corresponded with legal representatives of various Creditors.

Immediate focus and next steps

- 6.2 The immediate focus will be to expand the on-going investigation efforts to determine the flow of funds for the purpose of identifying avenues of recovery. This includes continuing the review of the books and records already obtained, as well as securing the books and records that are being withheld by liquidator of CCC to ensure completeness of the review.
- 6.3 We will also continue to investigate recovery options and recoverability of funds notwithstanding the commencement of winding up processes of counterparties.
- 6.4 While we have written to all debtors of the Company to return the various funds, investments, loans etc., the majority of the claims are with entities where insolvency practitioners have been appointed over them and the Interim Liquidator is, therefore, considering further steps to determine and improve recoverability of investments made.
- 6.5 The Interim Liquidator will continue to investigate and identify potential claims and recovery actions against related parties, including individuals, entities, and service providers.
- 6.6 At the appropriate time, which will be subject to recovering assets for distribution, the Interim Liquidator will request creditors to submit proof of debt forms, adjudicate claims submitted, including those from what appear to be related parties. However, it is premature to provide an estimate of potential returns, which may be available to creditors at this stage.
- 6.7 In addition to the preliminary investigations conducted by the Interim Liquidator, LOFSA have conducted their own investigations into the Company and have indicated their desire and willingness to work together on the common goal of achieving recovery for Creditors. The Interim Liquidator has and will continue to maintain close communication with LOFSA. It is likely that the Interim Liquidator is expecting to work with other authorities and law enforcement agencies.
- 6.8 As noted earlier in this report, the Interim Liquidator has secured approximately 350 cartons of physical book and records and digitally imaged over 10.5 terabytes of electronic data. The size and scale of the Company's documents alone show the magnitude of potential finance losses suffered and the Interim Liquidator expects that a complete investigation into the matter and possible recovery action, to take substantial effort including cooperation from other insolvency practitioners and authorities etc.

7. Conclusion

- 7.1 There is evidence to conclude that key officers of the Company, senior management, a number of related parties and various service providers have played a role in Company's operations that require further investigation.
- 7.2 There is little evidence that the Company has made any genuine or recoverable investments and as such, recovery is likely to be focused on the individuals who were in control of the Company and through the tracing and enforcement of misappropriated funds to which they were privy and party to.
- 7.3 The modus operandi of the Company's business model appears to be based on the concept of promising high-interest rate returns to foreign investors which were, up until the collapse of the Company, being paid by only the use of either new or recycled funds from other entities within the wider group of companies. That is, the Company was entirely dependent on raising new funds from investors to repay existing investors. It appears that in or around 2022 / 2023, the Company was unable to raise further funds, possibly as a result of regulatory intervention, resulting in repayments to investors grinding to a halt.
- 7.4 Given the interconnected nature of the entities discovered in our investigations and the complex flow of funds between many companies in a number of different jurisdictions, it is imperative that all insolvency practitioners of entities involved in this scheme, in particular those appointed at CCC where such a large portion of funds appears to have been transferred, are independent and work collaboratively for the benefit of real third-party creditors. The failure and/or refusal of the liquidators of CCC – Datuk Alvin of UHY Malaysia, to hand over to the Interim Liquidator, documents belonging to the Company leads to the irresistible inference that they have a vested interest in sabotaging the Interim Liquidator's ability to properly investigate and to take all necessary steps to recover assets for the benefit to the creditors.
- 7.5 Further, it appears that those behind the Alleged Scheme initiated insolvency proceedings for CCC in early 2023 following LOFSA's oversight and control being placed on several of its key bank accounts in Labuan. It is imperative that the Interim Liquidator's team be assisted by the liquidator of CCC (namely a suitable independent person) on an urgent basis so as to have the best possible chance of either recovering funds from the counterparties or tracing the onward flow of these funds.
- 7.6 The Company does not have sufficient cash inflow to meet its day-to-day obligations for the immediate future, nor will the Company be able to pay all clients' subscriptions. Based on present assessment, the Company is, in all likelihood, balance sheet and cash flow insolvent.

Appendix 1

財經理財

【澳豐詐騙連環爆】澳豐金流再爆730億人間蒸發 獨家披露幕後3黑手



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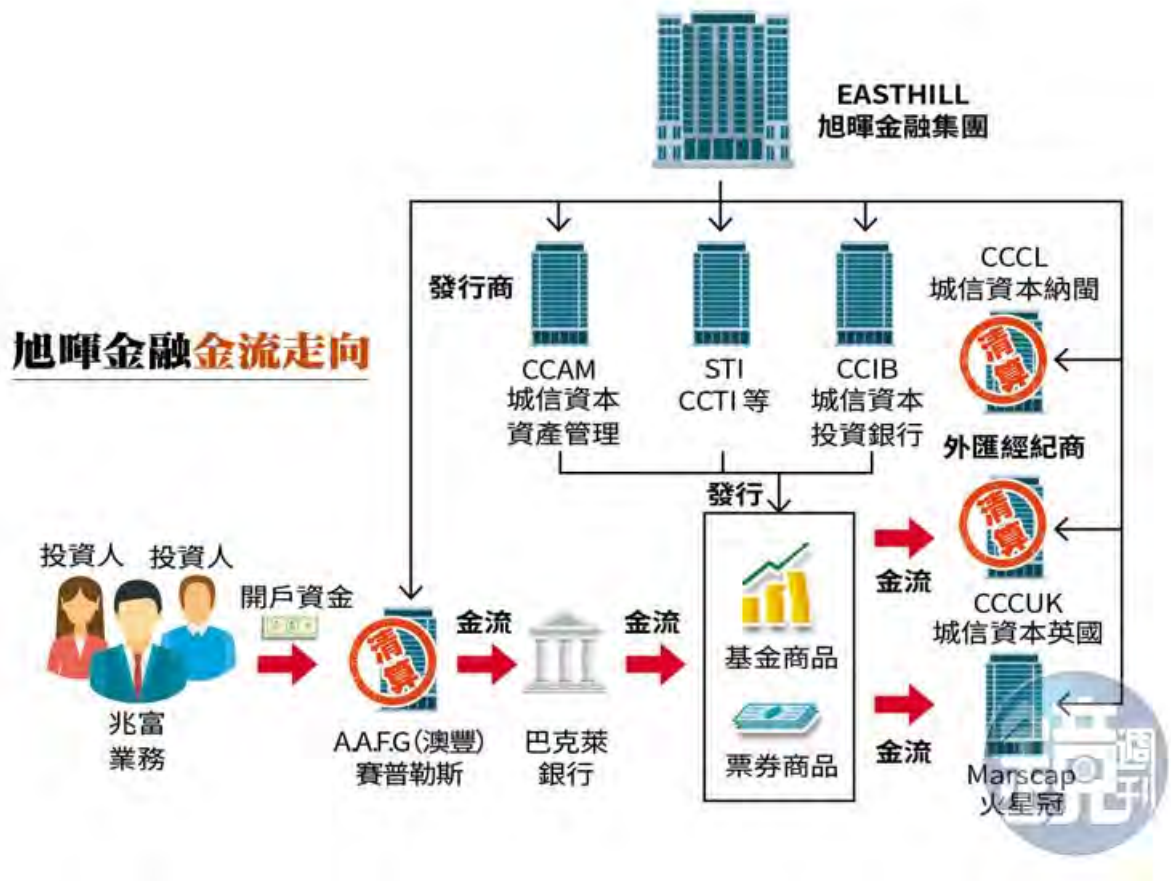
澳豐 倒閉 旭暉金融 清算 封面故事 城信資本

5月底，本刊揭露澳豐倒閉清算，該案如同滾雪球，災情持續擴大。上週一（6月5日），本刊取得獨家資料，澳豐母集團香港旭暉旗下二家外匯經紀商城信資本英國、城信資本納閩也相繼宣布倒閉。台灣受託參與澳豐案調查人士向本刊透露，城信資本納閩除有澳豐資金外，還另有旭暉集團其他子公司的資金，逾730億元人間蒸發，台灣投資人雖組織自救會，但因台港司法互助停擺，讓求償之路漫長而遙遠。

本刊調查，隨著澳豐金融宣告倒閉，澳豐金融母集團香港旭暉金融集團（EASTHILL FINANCIAL GROUP LIMITED）旗下二家外匯經紀商城信資本英國（City Credit Capital Ltd.，CCCUK）以及城信資本納閩（City Credit Capital（Labuan）Ltd.，CCCL）也相繼宣告倒閉，澳豐案引爆的旭暉集團世紀騙局有如滾雪球，整體受害金額已超過1700億元。

本刊獨家掌握消息，由於澳豐金融已向賽普勒斯證券交易委員會（CySEC）申請自願放棄經營，澳豐金融指定的清算人也進場接管，考量逾九成受害人為台灣人，澳豐金融指定清算人為了解澳豐案受害情況，也同時委託台灣民間機構一併

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上週一，本刊自台灣受託參與調查人士手中，獨家取得澳豐金融內部資料顯示，澳豐金融及旗下力量基金的資金，原先停泊在城信資本英國、城信資本納閩二家外匯經紀商，這二間外匯經紀商也分別在5月26日、6月1日步上澳豐金融後塵，宣告「自願放棄經營」，形同倒閉。



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該名人士透露，城信資本納閩除有澳豐金融三億多美元外，帳面上還有24億美元（約合新台幣736億元）是來自旭暉集團旗下的城信資本投資銀行（City Credit Investment Bank Limited，CCIB）、城信資本資產管理公司（City Credit Asset Management Co. Ltd，CCAM）。

5月底，本刊揪出澳豐案是一場世紀大騙局，不論是銷售公司兆富，或是澳豐金融，二家外匯經紀商城信資本英國以及城信資本納閩，甚至金融產品發行公司城信資本投資銀行、城信資本資產管理公司都是關係企業，隸屬旭暉集團。

CITY CREDIT CAPITAL (LABUAN) LTD.
(Company No. LL03096)
(Incorporated in Labuan F.T., Malaysia under the Labuan Companies Act 1990)
Unit Level 11 (E), Main Office Tower,
Financial Park Labuan Complex, Jalan Merdeka
87000 Federal Territory of Labuan, Malaysia
Tel No.: 087 – 582 268 Fax No.: 087 – 581 268

ENCLOSURE

1 June 2023

**To all known creditors of
City Credit Capital (Labuan) Ltd.**

[By Certificate of Posting]

Dear Sirs,

CITY CREDIT CAPITAL (LABUAN) LTD. ("THE COMPANY")
- NOTICE OF MEETING - CREDITORS' VOLUNTARY WINDING-UP

Please be informed that the Board of Director has resolved on 26 May 2023 that the Company is unable to continue its business by reason of its liabilities and a Meeting of the Creditors of the Company pursuant to section 449 of the Companies Act, 2016 has been summoned to be conducted virtually through live streaming from the Broadcast Venue at Kensington Gardens, No. U1317, Lot 7616, Jalan Jumidar Buyong, 87000 Federal Territory of Labuan, Malaysia on Friday, 23 June 2023 at 10.30 a.m.

A creditor who is unable to attend the meeting, who wishes to appoint a proxy to attend and vote instead of him, must duly complete and lodge the instrument appointing the proxy at Kensington Gardens, No. U1317, Lot 7616, Jalan Jumidar Buyong, 87000 Federal Territory of Labuan, Malaysia not later than 10.30 a.m. on 21 June 2023.

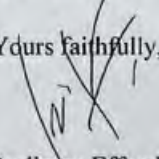
Proof of Debt

Under the Companies Act 2016 and Companies (Winding-Up) Rules, 1972, the Liquidator will only be able to consider the Company's debt allegedly owing to you after you have filed the prescribed Proof of Debt (Form 77).

We enclose herewith the following documents for your further action:

- (a) Notice of Meeting of Creditors;
- (b) Administrative Guide;
- (c) General and Special Proxy forms;
- (d) Proof of Debt (Form 77); and
- (e) A Statement of all known creditors and the amounts of their claims.

Yours faithfully,


Budiman Effendi
Director

Encl.



澳豐母公司旭暉旗下的馬來西亞、英國外匯經紀商城信資本相繼申請清算 (WINDING-UP) ，讓投資受害金額再擴大。

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HoSum Fung)、馮浩榮 (音譯，HoWing Fung) 兄弟，他們負責掌握金融商品；劉錦華則掌管銷售通路，也就是台灣銷售管道兆富、太碁、致富三家公司。」業內人士透露。

面對旭輝旗下城信資本英國、城信資本納閩相繼宣告倒閉，一名證券業大老嘆氣搖頭說：「購買非法海外金融商品，要拿回錢來的機會恐怕是零，投資人得做好心理準備。」

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延伸閱讀

【全文】再爆2外匯商倒閉蒸發730億 澳豐投資人求償無門炸鍋



【澳豐詐騙連環爆1】1.3萬澳豐投資人最後希望 債權人會議6月底拚求償



【澳豐詐騙連環爆2】台港司法互助停擺 澳豐投資人跨國求償無門



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**[Back-to-back disclosures of AAFG scam] Another disclosure involves disappearance of 73 billion from AAFG's capital flow
Exclusive disclosure of 3 'shot callers' behind the scenes**



Ho Sum Fung (2nd from left) and brother Ho Wing Fung (2nd from right) the eventual beneficiaries of Easthill and shot callers of AAFG's case, attended the annual party with Lau Kam Wah (1st from right) who is responsible for sales channels. (Provided by a reader)

At the end of May, we disclosed the closedown and liquidation of AAFG, now the case is snowballing and the plague is spreading. Last Monday (5 June), we obtained exclusive information which reveals that City Credit Capital Ltd and City Credit Capital (Labuan) Ltd, the two foreign exchange brokers under Easthill Hong Kong, the parent group of AAFG, have also announced their respective winding down. A person who is entrusted with investigation into the AAFG case told us that more than 73 billion has disappeared from CCCL which include monies belonging to AAFG and other Easthill subsidiaries. Taiwan's investors organized a self-help group, but it came to a halt due to mutual legal assistance between Taiwan and Hong Kong. The road to claiming compensation is, therefore, long and remote.

Our investigation reveals that after AAFG announced it was closing, City Credit Capital Ltd. (CCCUK) and City Credit Capital (Labuan) Ltd. (CCCL) the two foreign exchange brokers under Hong Kong EASTHILL FINANCIAL GROUP LIMITED, the parent group of AAFG also announced their respective closure. Easthill's scam of the century, as revealed by the AAFG case, continues to snowball with the total amount involved exceeding 170 billion .

Our exclusive information shows that AAFG has applied to the Cyprus Securities and Exchange Commission (CySEC) for voluntary renunciation of its authorisation to operate, with the liquidator designated by AAFG has already taken control of the company. Taking into consideration that more than 90% of the victims are Taiwanese, AAFG's designated liquidator entrusted a Taiwan private institution to participate in the investigation so as to understand the situation of the victims of the AAFG case.

Last Monday, we obtained exclusive internal information regarding AAFG from a person entrusted to participate in the investigation in Taiwan. According to this information, capital of AAFG, and the Powerfund under it, was deposited with CCCUK and CCCL, the two British foreign exchange

brokers which followed in the approach of AAFG and announced their “voluntary renunciation of authorisation to operate” on 26 May and 1 June respectively, which is tantamount to closing down.

That person said CCCL has USD2.4 billion (equivalent to approximately TWD73.6 billion) on the books from City Credit Investment Bank Limited (CCIB) and City Credit Asset Management Co. Ltd (CCAM) under the Easthill Group, in addition to more than USD0.3 billion from AAFG.

At the end of May, we disclosed that the AAFG case is the scam of the century in that KKWM the seller or CCCUK and CCCL, the two foreign exchange brokers of AAFG, and even City Credit Investment Bank Limited (CCIB) and City Credit Asset Management Co. Ltd (CCAM), the financial product distributors, are all affiliated companies under the Easthill Group.

With City Credit Malaysia and City Credit UK the foreign exchange brokers of Easthill, the parent company of AAFG, applying for winding-up respectively, the investment amount involved has further increased.

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Tel No.: 087 – 582 268 Fax No.: 087 – 581 268

1 June 2023

To all known creditors of
City Credit Capital (Labuan) Ltd.

[By Certificate of Posting]

Dear Sirs,

CITY CREDIT CAPITAL (LABUAN) LTD. ("THE COMPANY")
- NOTICE OF MEETING - CREDITORS' VOLUNTARY WINDING-UP

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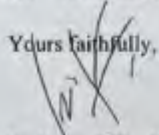
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- (e) A Statement of all known creditors and the amounts of their claims.

Yours faithfully,


Budiman Effendi
Director

Encl.



Our investigation reveals that Easthill is calling the shots behind the scenes, as previously identified by Clement Tung, the executive director of AAFG, the eventual beneficiaries of Easthill are the Fung family and Lau Kam Wah, all the three of whom are from Hong Kong. "From the Fung family are Ho Sum Fung and brother Ho Wing Fung, they are responsible for dealing with the financial products and Lau Kam Wah is responsible for dealing with the sales channels, namely KKWM, City Investment and GFS the sales channels in Taiwan," said an industry player.

In the face of closure of CCCUK and CCCL under Easthill, an experienced person in the securities sector heaved a deep sigh and said, "When buying illegal overseas financial products, an investor must prepare himself for the possibility of getting zero money back."

財經理財

2023.06.14 05:58 臺北時間

【澳豐詐騙連環爆1】1.3萬澳豐投資人最後希望 債權人會議6月底拚求償

文 | 劉曉霞 江星翰



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加入訂閱會員

澳豐

旭暉金融

封面故事

城信資本

馬來西亞

破產



澳豐資金除在城信資本納閩(圖)外，另有部分在紐西蘭交易公司火星冠。(翻攝Google Maps)

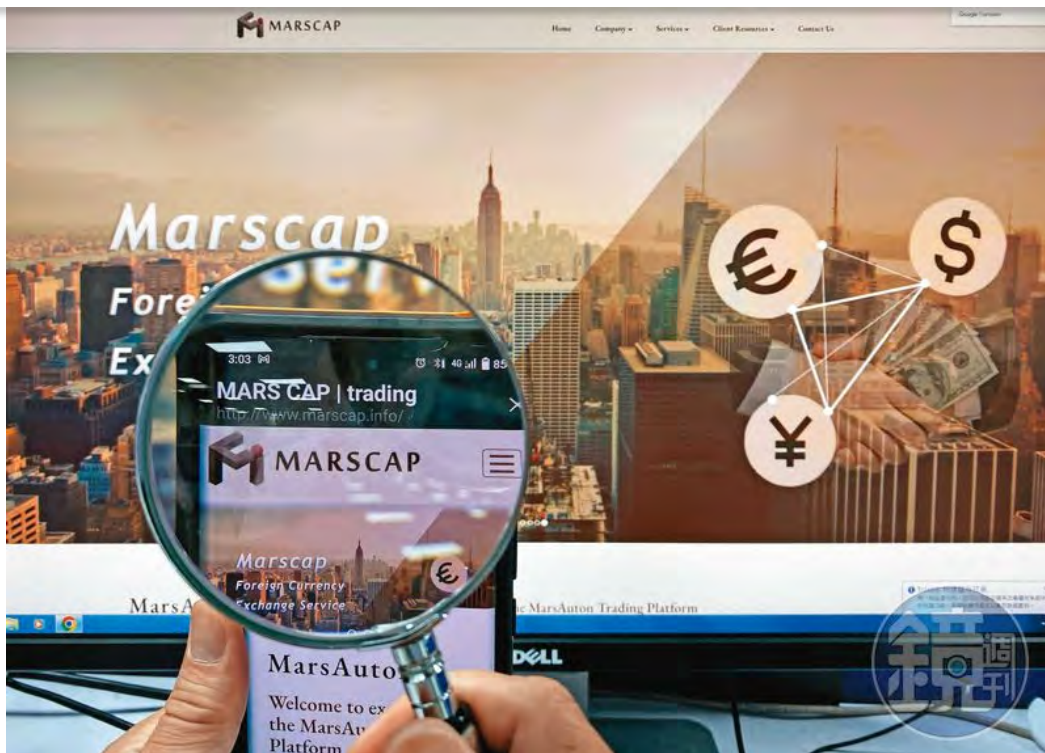
本刊獨家掌握消息，由於澳豐金融已向賽普勒斯證券交易委員會（CySEC）申請自願放棄經營，澳豐金融指定的清算人也進場接管，考量逾九成受害人為台灣人，澳豐金融指定清算人為了解澳豐案受害情況，也同時委託台灣民間機構一併參與調查。

台灣受託參與調查人士指出，6月底，城信資本納閩將召開債權人會議，澳豐金融清算人將參與在馬來西亞召開的債權人會議，以調查資金走向，「為協助國內投資人，也將在澳豐金融官網上提供投資人登記，分成澳豐金融、非澳豐金融二區，集結投資人力量向旭暉求償。」

上週一，本刊自台灣受託參與調查人士手中，獨家取得澳豐金融內部資料顯示，澳豐金融及旗下力量基金的資金，原先停泊在城信資本英國、城信資本納閩二家外匯經紀商，這二間外匯經紀商也分別在5月26日、6月1日步上澳豐金融後塵，宣告「自願放棄經營」，形同倒閉。

該名人士指出，原先澳豐金融帳面上，在城信資本納閩有3.37億美元，城信資本英國有46.5萬美元。清算人向城信資本英國、城信資本納閩要求返還資金，卻發現城信資本英國5月26日已申請清算獲准；城信資本納閩也在6月1日向馬來西亞納閩金融服務管理局（LFSA）申請清算，當地金管局也在6月5日准予報備。





澳豐資金除在城信資本納閩外，另有部分在紐西蘭交易公司火星冠（圖）。（翻攝Marscap官網）

該名人士透露，城信資本納閩除有澳豐金融三億多美元外，帳面上還有24億美元（約合新台幣736億元）是來自旭暉集團旗下的城信資本投資銀行（City Credit Investment Bank Limited，CCIB）、城信資本資產管理公司（City Credit Asset Management Co. Ltd，CCAM）。

換言之，城信資本納閩申請倒閉後，除澳豐金融旗下的力量基金拿不回三億多美元外，還多增加了城信資本投資銀行、城信資本資產管理公司的24億美元，澳豐清算引爆母集團旭暉相關詐騙金額一口氣增加到56.5億美元（約合新台幣1733億元）。

上週，本刊向馬來西亞納閩金管局、在台官方單位馬來西亞友誼及貿易中心查證，截稿前無回覆。本刊同時也用金融圈常用的徵信外匯經紀商查詢APP「外匯天眼」查詢，城信資本納閩已被標明「該交易商當前無有效監管、監管牌照存疑」；城信資本英國仍被列為高風險經紀商。

面對旭暉旗下城信資本英國、城信資本納閩相繼宣告倒閉，一名證券業大老嘆氣搖頭說：「購買非法海外金融商品，要拿回錢來的機會恐怕是零，投資人得做好心理準備。」

至於澳豐其他用來投資票券的逾25億美元資金，台灣受託參與調查人十表示，目

[Back-to-back disclosure of AAFG scam 1] Last hope for 13,000 AAFG investors, Meeting of creditors will be held in end of June to fight for compensation



Besides City Credit Capital (Labuan) (Photo), part of AAFG's funds come from the Mars Cap Limited which trades in New Zealand (Reproduction from Google Maps)

The exclusive information we have in hand shows that AAFG has applied to the Cyprus Securities and Exchange Commission (CySEC) for voluntary renunciation of authorisation to operate, AAFG's designated liquidator had already received the company. Because more than 90% of the victims are Taiwanese, AAFG's designated liquidator entrusted a Taiwan private institution to take part in the investigation so that situation of the AAFG victims can be understood.

A person in Taiwan entrusted to participate in the investigation said City Credit Capital (Labuan) will hold a meeting of creditors at the end of June, the AAFG liquidator will attend the meeting of creditors to be held in Malaysia to investigate whereabouts of the monies. "In order to help the domestic investors, investors can register on the AAFG official website. It is divided as AAFG and non-AAFG zones so as to integrate power of the investors to claim compensation from Easthill."

Last Monday, we obtained exclusive internal information regarding AAFG from a person in Taiwan entrusted to participate in the investigation. According to the information, capital of AAFG and the Powerfund under it were deposited with CCCUK and CCCL, the two British foreign exchange brokers which followed the approach of AAFG and announced "voluntary renunciation of authorisation to operate" on 26 May and 1 June respectively, which is tantamount to a closedown.

That person said the financial books of AAFG contain USD0.337 billion from CCCL and USD465,000 from CCCUK. When the liquidator required CCCUK and CCCL to return the monies, it was discovered that CCCUK had applied for winding-up on 26 May with approval granted and CCCL had applied to the Malaysian Labuan Financial Services Authority (LFSA) for winding-up on 1 June with approval granted by LFSA for filing on 5 June.



Besides City Credit Capital (Labuan), part of AAFG's funds come from Mars Cap Limited which trades in New Zealand (Photo) (Sourced from the official website of Marscap)

That person said CCCL has USD2.4 billion (equivalent to approximately TWD7,360 billion) on the books from City Credit Investment Bank Limited (CCIB) and City Credit Asset Management Co. Ltd (CCAM) under the Easthill Group in addition to more than USD0.3 billion from AAFG.

In other words, after CCCL applied for winding up, the USD2.4-billion funds unredeemable from CCIB and CCAM further increased the unredeemable amount on top of the more than USD0.3 billion funds unredeemable from the Powerfund under AAFG. The winding-up of AAFG increased the amount involved in the scam to USD5.65 billion (equivalent to approximately TWD173.3 billion).

Last week, we contacted the Malaysian Labuan Financial Services Authority and Malaysian Friendship and Trade Centre in Taiwan to make enquiries but received no reply at the time of going to press. We also made enquires with the "WikiFX" commonly used by forex brokers in the financial sector, it was discovered that CCCL has been labeled as "trader subject to no effective regulation with a questionable regulatory licence" and CCCUK was listed as high-risk broker.

In the face of the winding up of CCCUK and CCCL under Easthill, an experienced person in the securities sector heaved a deep sigh and said, "When buying illegal overseas financial products, an investor must prepare himself for the possibility of getting zero money back."

As for the more than USD2.5 billion which AAFG invested in coupons, the person in Taiwan entrusted with participation in the investigation said the investigation reveals that the monies are currently with the Mars Cap Limited, which trades in New Zealand. Mars Cap is also subordinated to the Easthill Group, but investigation is still underway for details of the monies' whereabouts.

財經理財

【千億金融詐騙案】專騙有錢人！澳豐金融倒閉清算 16年
騙走全台千億元



董身達稱旭暉才是澳豐案幕後黑手，本刊直擊旭暉位於香港中環鬧區的辦公室，早已人去樓空。

發布時間：2023.05.31 05:58 臺北時間

更新時間：2023.09.12 20:46 臺北時間

文 | 劉曉霞 江星翰 許靜文

攝影 | 董孟航



贊助本文

加入訂閱會員

董身達 騙局 金管會 投資人 澳豐金融 封面故事 基金

上週六（5月27日），握有1000億元規模的澳豐金融集團宣告倒閉，正式引爆台灣史上最大金融詐騙案，本刊調查，國內有1.3萬名投資人受害。被外界質疑是金融詐騙首腦的澳豐金融集團負責人董身達，倒閉前夕在香港接受本刊獨家專訪時強調，「我只是掛名人頭，真正幕後黑手是EASTHILL（旭暉金融集團）。」無論是否真如董身達所言他只是人頭，但董仍得負起相關責任，還投資人一個公道和真相。

上週六（5月27日），公司登記在賽普勒斯的澳豐金融集團（AYERS Alliance Financial Group Limited，又稱為A.A.F.G），悄悄在官網上公告二則訊息，第一則是宣布「澳豐金融集團自願放棄經營」；第二則是「澳豐金融集團旗下力量基金（Spectra SPC Powerfund）清算」。

這二份公告等同正式對外宣告，澳豐金融倒閉，力量基金破產，也讓國內踩到澳豐金融地雷的投資人、上市櫃公司，歷經去年無法出金的風波後，僅存拿回本金的希望破滅。

NOTICE OF VOLUNTARY RENUNCIATION OF AUTHORISATION TO OPERATE AS AN INVESTMENT FIRM

AYERS Alliance Financial Group Limited (CIF License No. 230/14) (the "Company") hereby announces that it has made the difficult decision to voluntarily renounce its authorization to operate as an investment firm in accordance with the provisions of Law 87(I)/2017 and CySEC Directive for the withdrawal and suspension of authorisation.

This decision has been made after carefully considering and evaluating the Company's current business operations. Unfortunately, due to circumstances **beyond our immediate control**, the Company is currently unable to continue its investment activities and has been left without any other option but to take this difficult step. The Company would like to express its deepest apologies to its clients for the inconvenience and uncertainty this may cause. We understand that our clients may have concerns regarding their investments, and we regret that we are unable to make any assurances at this time.

We would like to address to our clients that we are working diligently to return any client funds and assets to the best of our abilities, however, we are facing difficulties. We are exploring all possible options to recover the funds and will continue to provide updates on the progress of this process. **In addition, we are taking legal action against those third parties we consider responsible for the present position and our regulator CYSEC is aware of correspondence to that effect.**

As a result of this decision, the Company will no longer be carrying out any investment activities beyond those strictly necessary for completing the pending transactions or those of its clients and after communication with CySEC. All client funds and assets will be returned to the best of our abilities, and we will continue to provide updates on the progress.

Any query and/or concern you may have in respect of the services provided by AYERS Alliance Financial Group Limited should be made in writing and addressed to info@aafg.co. Should you wish to submit an official complaint, please complete the Complaint Form, which is accessible to all clients via the Company's website [here](#) on page 4.

We appreciate your support and trust in the Company over the years, and we would like to thank you for your patience and understanding during this difficult time.

Yours Sincerely,
AYERS Alliance Financial Group Limited



澳豐27日宣布自願放棄經營，等同正式承認澳豐已倒閉。(翻攝澳豐官網)

這起高達1.3萬名投資人受害，規模達1000億元的金融詐騙案，行騙十餘年，不少政商名流都受害，除媒體曾披露過駐世貿組織代表羅昌發夫婦踩雷外，前總統李登輝家族成員也曾持有澳豐基金，受害投資人說，「由於購買澳豐商品門檻是十萬美元起跳，有一定資金門檻，能投資的都是金字塔頂端。」



大開眼界的鏡相人間

不僅投資人，就連上市櫃公司也踩到澳豐地雷，包括義隆電、寶齡富錦、台端、宏致、時報、新復興、巨有科技、欣天然、南光、創為精密等十家上市櫃企業。

本刊調查，澳豐案根本是一個世紀大騙局，因為不管是銷售公司澳豐金融（A.A.F.G），或兩家外匯經紀商城信資本英國（City Credit Capital Ltd.、CCCUK）、城信資本納閩（City Credit Capital (Labuan) Ltd.，CCCL），甚至金融產品發行公司CCAM、AACL、CCIB都是關係企業，隸屬香港一間旭暉金融集團（EASTHILL FINANCIAL GROUP LIMITED）。

其實，早在2015年時，就有國內投資人發現澳豐金融有問題，向金管會檢舉違法販賣海外基金，但檢調偵辦後，兆富、澳豐仍持續運作。去年12月，投資人陸續傳出無法贖回本金，或是配息沒有按時取得，引起投資人恐慌，今年這樁千億金融詐騙案才正式引爆。

澳豐發行前10大產品

- 1 Multi-Manager FX Trading Note (M3)
- 2 Global Arbitrage Trading Strategies Note II (USD)
- 3 1 Year Global ETFs Arbitrage Trading Note X
- 4 Powerfund Class A
- 5 1 Year Global ETFs Arbitrage Trading Note XI
- 6 GS FX Arbitrage Note
- 7 Private Equity Note 2
- 8 2 Years Bonds Trading Debt Capital Market Note (Series 5)
- 9 GS FX Arbitrage Note (US-S4)
- 10 Land & Hotel High Growth Income Note V



金管會證期局副局長張子敏指出，澳豐非金管會核准的境外基金，不能在國內銷售或私募，澳豐和兆富也沒有在台灣註冊成立投信、投顧事業，或申請擔任境外基金總代理，該案已移送檢調。至於投資人能否如願拿回資金，恐怕仍是大問號。

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延伸閱讀

[Hundred-billion financial scam] Wealthy as targets! AAFG collapse and subject to winding-up Hundred-billion dollars were swindled from all parts of Taiwan in 16 years



Clement Tung said Easthill is the shot caller of the AAFG case. We visited Easthill’s office in downtown Central of Hong Kong, but the unit has long been vacated.

Last Saturday (27 May), AAFG, a company of valuation of USD100 billion, announced its closedown, revealing the largest financial scam in the history of Taiwan. According to our investigation, 13,000 domestic investors have been victimized. Clement Tung the person-in-charge of AAFG gave us an interview in Hong Kong on the day before the closedown. Clement Tung is being suspected to be the mastermind of the financial scam, he emphasized that, “I am just the titular head, the genuine shot caller is Easthill (Easthill Financial Group)”. No matter whether he is just the titular head as he claimed, Clement Tung has to undertake the responsibilities and do justice to and find out the truth for the investors.

Last Saturday (27 May), AYERS Alliance Financial Group Limited (also known as AAFG) which registered in Cyprus silently posted two messages on its official website. The first message announces that “AAFG’s voluntary renunciation of authorization to operate”; the second message is “Winding up of Spectra SPC Powerfund under AAFG”.

The two announcements are tantamount to disclosing that AAFG is closing down and the Powerfund is going into bankruptcy, leaving the domestic investors and listed companies who stepped the AAFG landmines with their hope of getting back their principal shattered following the company’s failure to pay last year.

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Yours Sincerely,
AYERS Alliance Financial Group Limited



AAFG's announcement of voluntary renunciation of authorization to operate on the 27th day is tantamount to admitting that AAFG has collapsed. (Reproduction from AAFG official website)

The more-than-ten-year financial scam involves as many as 13,000 victims and as much as USD100 billion, many celebrities of the political and commercial sectors had been victimized. Besides Lo Chang Fa the WTO Permanent Representative of Taiwan and his wife being victimized as disclosed in the media, family members of former President Lee Teng Hui also held AAFG fund once. A victimized investor said, "Purchase of AAFG products starts with USD100,000, with such considerable financial threshold, the eligible purchasers are those on the topmost level of the pyramid."


Not only investors stepped on the AAFG landmines, but listed companies too. Involved in the case are ten listed companies including ELAN Microelectronics, Panion & BF, Tai Twun, ACES, China Times, New Era, ASIC, Sin Shin Natural, Nan Kuang and Apex Material Technology.

Our investigation reveals that AAFG is the consummate scam of the century because AAFG Financial Group (AAFG) the seller, City Credit Capital Ltd. (CCCUK) and City Credit Capital

(Labuan) Ltd. (CCCL) the two foreign exchange brokers and even CCAM, AACL and CCIB the financial product distributors are all affiliated companies under EASTHILL FINANCIAL GROUP LIMITED of Hong Kong.

In fact in 2015, a domestic investor found something wrong with AAFG and reported it to the Financial Supervisory Commission for the illegal sale of overseas funds, but KKWM and AAFG still continued with their operation after the case was investigated and handled. In December last year, rumours of investors being unable to redeem their principal and not being paid the interest due sparked panic among the investors, but it is not until this year that the hundred-billion scam was duly disclosed.

Top 10 products launched by AAFG

- 1 Multi-Manager FX Trading Note (M3)
 - 2 Global Arbitrage Trading Strategies Note II (USD)
 - 3 1 Year Global ETFs Arbitrage Trading Note X
 - 4 Powerfund Class A
 - 5 1 Year Global ETFs Arbitrage Trading Note XI
 - 6 GS FX Arbitrage Note
 - 7 Private Equity Note 2
 - 8 2 Years Bonds Trading Debt Capital Market Note (Series 5)
 - 9 GS FX Arbitrage Note (US-S4)
 - 10 Land & Hotel High Growth Income Note V
- 

Chang Tzu Ming the Deputy Director-General of Securities and Futures Bureau of Financial Supervisory Commission said AAFG is not an overseas fund approved by the Commission so it cannot sell or solicit domestically; besides, AAFG and KKWM were not registered in Taiwan to set up investment trust or investment counselling business or to apply for the operation as overseas fund general agent; the case has been transferred to the Prosecutors Office and Investigation Bureau. There is still a big question mark as to whether the investors can get back their money.

財經理財

【千億金融詐騙案2】獨家專訪澳豐操盤手 董身達控幕後黑手是他



澳豐負責人華自達坦白承認 險細白口傑出令人話 錢不在他手上。

發布時間：2023.05.31 05:58 臺北時間

更新時間：2023.10.24 11:10 臺北時間

文 | 劉曉霞 江星翰 許瀟文

攝影 | 董孟航



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城信資本

配息

本刊調查，澳豐案根本是一個世紀大騙局，因為不管是銷售公司澳豐金融（A.A.F.G），或兩家外匯經紀商城信資本英國（City Credit Capital Ltd.、CCCUK）、城信資本納閩（City Credit Capital (Labuan) Ltd.、CCCL），甚至金融產品發行公司CCAM、AACL、CCIB都是關係企業，隸屬香港一間旭暉金融集團（EASTHILL FINANCIAL GROUP LIMITED）。

記者在澳豐金融宣告倒閉前夕，於香港獨家專訪澳豐金融集團執行董事，也就是澳豐金融集團實際負責人董身達（Clement Tung），他操著香港口音，數度向本刊強調，他雖是澳豐金融的執行董事，「但我只是掛名人頭，並不管理實際業務，也沒有領取董事報酬。」

董身達同時拿出資料強調，「我實際僅管理澳豐金融旗下STI暨其所屬的力量基金（Powerfund），其他CCAM、AACL、CCIB等公司，都是由另一名香港人William Kong（江偉樑）負責操盤，他隸屬旭暉，真正幕後黑手是旭暉。」

本刊實地走訪位在香港中環鬧區的旭暉金融集團，該集團藏身在香港金融街皇后大道中的一棟大樓的頂樓，雖然公司樓層名稱仍掛著EASTHILL標示，但現場已人去樓空，澳豐香港公司就在同棟樓。本刊透過香港政府官網查詢，旭暉目前仍在營運中。



記者問董身達，如何證明自己僅是人頭？他苦笑表示無法證明，並向本刊解釋：「澳豐向賽普勒斯政府申請第三方接管清算，就是希望能把我操盤的力量基金停泊在2間外匯經紀商城信資本英國、城信資本納閩帳戶內的資金取回，歸還客戶，我沒有一走了之，選擇面對。」



董身達稱旭暉才是澳豐案幕後黑手，本刊直擊旭暉位於香港中環鬧區的辦公室，早已人去樓空。

本刊質疑，澳豐是否已倒閉？董身達不肯正面承認，只強調是close（關門）。至於澳豐和兆富、城信資本英國、城信資本納閩都屬於同集團，有關係人交易問題，對此，董身達也未正面答覆。

事實上，董身達早在去年第二季就已經發現力量基金在城信資本英國、城信資本納閩無法出金的問題，當時為按時配息給客戶，他開始動用基金管理費代墊。

記者質疑，若早在去年第二季就發現資金流出問題，為何當時不採取法律行動，而拖到現在，難道沒有包庇？董身達苦笑說，「旭暉過去十多年，營運一直持續成長，我認為旭暉是家財力很強、穩健的公司，當時的確沒有警覺。」面對投資人不滿，直指是金融詐騙，董身達未否認只說：「我現在希望幫客戶釐清真相，該負的刑責，我也不會逃避。」

依照董身達資料，由他管理的澳豐金融旗下STI及其所屬力量基金，總計約4億美元，城信資本納閩、城信資本英國2間外匯貨幣經紀公司帳面上各自有3.37億和46.5萬美元，換言之，大部分資金都停在被列為警告的城信資本納閩。至於澳豐其他用來買票券的逾25億美元，董身達說一開始在巴克萊銀行，但銀行金鑰並非由他保管。

面對投資人最關心，究竟能贖回多少錢？難道城信資本英國、城信資本納閩沒有倒閉風險嗎？董身達對此沉默許久後答覆：「我不知道，我無法確保，但目前城信資本英國、城信資本納閩仍未倒閉。」

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[Hundred-billion financial scam 2] Exclusive interview with controller of AAFG Clement Tung alleges that the one who called the shots behind is he



AAFG's person-in-charge Clement Tung gave an interview, emphasizing that he is just the titular head and does not have the money in hand.

According to our investigation, the AAFG case is the consummate scam of the century. It is because AYERS Alliance Financial Group (A.A.F.G) the seller, foreign exchange brokers City Credit Capital Ltd. (CCCUK) and City Credit Capital (Labuan) Ltd. (CCCL) and even CCAM, AACL and CCIB the financial product distributors are all affiliated companies under EASTHILL FINANCIAL GROUP LIMITED of Hong Kong.

The reporter had an exclusive interview in Hong Kong with Clement Tung the executive director as well as person-in-charge of AAFG Financial Group the day before AAFG announced its collapse. In his Hong Kong accent, Clement Tung repeatedly emphasized to us that although he is the executive director of AAFG, "I am just the titular head and do not manage the actual business and am not paid director's remuneration."

Clement Tung also showed some information and emphasized, "As a matter of fact, I just manage STI under AAFG and the Powerfund under it, all other companies including CCAM, AACL and CCIB are managed by another Hong Kong person called William Kong (Kong Leung Wai). He is an employee of Easthill, which is the genuine shot caller."

We visited the Easthill Financial Group in downtown Central for an interview. The Group conceals itself on the topmost floor of a building on Queen's Road Central, which is the financial street of Hong Kong. The EASTHILL signage is still displayed on the floor which houses the company, but the unit has long been vacated; AAFG Hong Kong is situated on the same floor. Through searches made on Hong Kong government websites, it is known that Easthill is still in operation.

The reporter asked Clement Tung how he could prove that he is the titular head? With a wry smile, he said he was incapable of proving it and explained to us that, "AAFG applied to the Cyprus Government for receivership and winding-up by a third party out of the intention to get back the monies which the Powerfund I managed had deposited in the Labuan accounts of the two foreign exchange brokers, namely City Credit Capital Ltd. and City Credit Capital (Labuan) Ltd, so they could be returned to the clients. Instead of simply walking away, I choose to face it."



Clement Tung said the shot caller in the AAFG case is Easthill. We visited Easthill's office in downtown Central of Hong Kong, but the unit has long been vacated.

We doubt whether AAFG has collapsed? Clement Tung refuses to admit it directly but emphasized that it has been closed (closedown). As for related-party transactions between AAFG and KKWM, City Credit Capital Ltd. and City Credit Capital (Labuan) Ltd because they are all belong to the same Group, Clement Tung did not reply directly.

As a matter of fact, Clement Tung had discovered the problem that Powerfund was unable to get money from CCCUK and CCCL in Q2 last year. In order to pay interests due to clients, he began to use the Fund's management fee for disbursement.

The reporter doubts how if capital outflow problem had been found in Q2 last year, why legal action was not taken but the problem left unattended until today, and wonders if covering up was involved. With a wry smile, Clement Tung said, "In the last decade or so, Easthill's operation has been growing continuously. To me, Easthill is a sound company with strong family wealth, it really did not keep me on my toes." Faced with discontented investors who directly allege that it is a financial scam, Clement Tung did not deny this, he just said, "What I want to do now is to find out the truth for the clients, if I am to be punished, I will not escape from it."

According to the information provided by Clement Tung, of the approximately USD0.4-billion-capitalization of AAFG's STI under his management and the Powerfund under STI, capitals of USD0.337 billion and USD465,000 on the books were from the two British foreign exchange brokers CCCL and CCCUK respectively. In other words, most of the capital was deposited in CCCL against which a warning had been issued. As for the more than USD2.5 billion which AAFG spent on coupon purchase, Clement Tung said it started with Barclays Bank, but it was not he who safe custody the bank key.

The issue of the investors' greatest concern is how much money can be redeemed? Do not CCCUK and CCCL face any risk of collapse? Clement Tung said nothing in response for quite a while before he answered, "I don't know, I am not sure about it, but CCCUK and CCCL are still operating at this moment."

Appendix 2

香港旭晖集团涉在台湾诈骗 50 亿美元 子公司 12 高管交保

发布 /

2024 年 3 月 06 日 09:02 PM

香港旭晖集团旗下的三家台湾子公司涉嫌金融诈骗，吸金超过 50 亿美元（约 67 亿新元），目前 12 名子公司高管交保。

综合台湾《联合报》和中时新闻网星期三（3 月 6 日）报道，掌握近千亿新台币规模的澳丰金融集团去年 5 月底倒闭，全台湾超过 1.3 万投资人受害，被称为台湾史上最大宗金融诈骗案。

台湾调查局清查发现，全案幕后首脑是香港旭晖金融集团的港籍主管刘锦华，他扶植的兆富、致富、太碁三家台湾子公司，专门从事海外基金投资诈骗，吸金超过 50 亿美元。

台北市调查处星期二（5 日）对致富、太碁进行搜索，台北地检署深夜侦讯后，致富总经理黄天贵、太碁公司执行副总甘熾琪等 12 人以 20 万至 300 万元新台币（约 8495 至 12 万新元）交保。

刘锦华是香港籍人士，致富负责人陈伟平、太碁负责人宋安山是台籍人士，三人均在海外未到案。

报道指，号称资产有千亿规模的澳丰金融集团，在台湾销售超过 10 年澳丰 AA 基金，宣称年利率高达百分之八至 10，投资门槛以 100 万美元为单位，吸引 1 万 3 千人投资。最知名的受害人是台湾前总统李登辉的女儿李安妮，被诈骗约 5.5 亿元新台币。

调查局接获检举，指香港旭丰集团及旗下致富、太碁公司负责人刘锦华等人，于 2013 年至 2022 年间，在台违法销售 TOP WORTH、PT 增值型理



财帐户，宣称年报酬率 7 至 12%，投资期间保证取回本金，目前有近百名投资人检举，损失金额超过 8000 多万美元。

台湾调查局查出，刘锦华以国家为区分，先由兆富公司推出澳丰 AA 基金，宣称基金来自塞浦路斯与日本，期满可赎回本金，每年更换一次基金名称，因此澳丰 AA 衍生出 AA1、AA2、AA3 共 30 档基金，办案人员去年发动搜索，追查金流发现，兆富、致富、太碁在台吸金超过 50 亿美金。

调查显示，兆富、致富与太碁三家公司同时存在，兆富主打贩售“澳丰 AA 基金”、致富与太碁主打“TOPWORTH 增值型理财帐户”与“PTUA 增值型理财帐户”两档基金，谎称基金来自马来西亚与印尼，吸金手法是透过说明会招揽投资人，再由业务员以话术洗脑，成功在台湾吸金诈骗，多数资金不知去向。

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Hong Kong EastHill Financial Group Implicated in US\$5 Billion Taiwanese Fraud, 12 Executives from Subsidiaries Posted Bail

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Three Taiwanese subsidiary firms under their Hong Kong parent, EastHill Financial Group, are suspected of committing financial fraud amounting to more than US\$5 billion (approx. S\$6.7 billion). Currently, 12 executives from the firms have posted bail.

According to reports by Taiwanese United Daily News and China Times on Wednesday (6 March), AYERS Alliance Financial Group Limited (AAFG), a firm that was worth nearly NT\$100 billion, wound up last May. The closure negatively affected over 13,000 investors in Taiwan and was hailed as the biggest financial fraud case in Taiwanese history.

An investigation by Taiwan's Ministry of Justice Investigation Bureau revealed that the mastermind behind the fraud is Hong Kong national Liu Jinhua, the head of EastHill Financial Group. The three Taiwanese subsidiary firms that were under his care, Kurokawa Kitoku Wealth Management (KKWM), International Investment Consulting Co Ltd (IIC), and City Investment Consultant Limited (CIC), specialised in conducting overseas investment fraud, scamming victims of over US\$5 billion.

Taipei City's investigation bureau conducted a search at KKWM, IIC and CIC on Tuesday (5 March). After a late-night questioning by the Taiwan Taipei District Prosecutors Office, 12 persons, including KKWM's general



manager Huang Tianguai and CIC's executive vice-president Gan Yanqi, posted bail ranging between NT\$200,000 to NT\$3 million (approx. S\$8,495 to S\$120,000).

Liu Jinhua, a Hong Kong national, and the respective heads of IIC and CIC Chen Weiping and Song Anshan, who are Taiwanese, are overseas and have not been arrested.

According to reports, AAFG, which claimed to hold assets worth NT\$100 billion, has been selling the AAFG AA fund in Taiwan for more than 10 years. The company claimed to offer interest rates as high as eight to 10% and set a minimum investment figure of US\$1 million. Thirteen thousand individuals have invested in their products. AAFG's most well-known victim is Annie Lee, the daughter of Taiwan's former president Lee Teng-hui, who lost approximately NT\$550 million.

The investigation bureau received a report that revealed that Liu Jinhua, the head of EastHill Financial Group, and the other heads of KKWM, IIC and CIC unlawfully sold Topworth and PT value-added financial products between 2013 and 2022, claiming an annual return rate of seven to 12% and guaranteed return on the principal amount. Presently, almost 100 investors have stepped forward and reported losses exceeding US\$80 million in total.

Taiwan's investigation bureau found out that Liu Jinhua split the fraudulent products by country. KKWM first launched the AAFG AA fund and claimed the fund was from Cyprus and Japan. Investors could redeem their principal upon the fund's maturity. The name of the fund would then be changed every year. A total of 30 funds, from AA1, AA2, AA3 and so on, were derived from the original AA fund. Investigators launched an



investigation last year to trace the cash flow of the funds and discovered that KKWM, IIC and CIC defrauded victims in Taiwan of over US\$5 billion.

The investigation revealed that KKWM, IIC and CIC were operating at the same time. KKWM primarily sold AAFG AA fund products. IIC and CIC focused on Topworth and PTUA value-added financial products while falsely claiming that the funds were from Malaysia and Indonesia. They attracted potential investors by holding briefing sessions, where their salespeople would try to convince the victims to buy their products. They managed to successfully scam their victims of the monies, most of whose whereabouts are currently unknown.

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