

Yik Wo International Holdings Limited

易和國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8659



2021

THIRD QUARTERLY REPORT

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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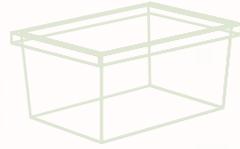
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*This report, for which the directors (the “**Directors**”) of Yik Wo International Holdings Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) 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 the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

This report will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company’s website at www.yikwo.cn.

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UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three and nine months ended 30 September 2021

	Notes	Three months ended 30 September		Nine months ended 30 September	
		2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Revenue	4	71,267	64,454	190,785	170,543
Cost of sales		(50,554)	(44,743)	(135,701)	(119,558)
Gross profit		20,713	19,711	55,084	50,985
Other income		69	38	191	88
Selling expenses		(3,179)	(3,018)	(9,231)	(8,232)
Administrative and other operating expense		(4,012)	(10,768)	(11,222)	(22,090)
Profit from operations		13,591	5,963	34,822	20,751
Finance costs		(49)	(9)	(152)	(111)
Profit before income tax	5	13,542	5,954	34,670	20,640
Income tax expense	6	(3,499)	(1,512)	(9,019)	(6,310)
Profit for the period		(10,043)	4,442	25,651	14,330
Other comprehensive income, net of tax:					
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operation recognised		40	1,376	48	1,384
Total comprehensive income for the period attributable to equity holders of the Company		10,083	5,818	25,699	15,714
Earnings per share attributable to equity holders of the Company					
– Basic and diluted (RMB cents)	8	1.67	0.77	4.28	2.91

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2021

	Attributable to equity holders of the Company					
	Share capital RMB'000	Share premium [*] RMB'000	Statutory reserve [*] RMB'000	Translation reserve [*] RMB'000	Retained profits [*] RMB'000	Total RMB'000
As at 1 January 2020	1	20,000	9,829	(96)	49,119	78,853
Profit and total comprehensive income for the period	—	—	—	—	14,330	14,330
Other comprehensive income						
– Exchange difference on translation of foreign operation recognised	—	—	—	1,384	—	1,384
Total comprehensive income for the period	—	—	—	1,384	14,330	15,714
Transaction with owner						
– Dividend declared	—	—	—	—	(7,522)	(7,522)
– Issuance of ordinary shares pursuant to share offer	1,354	36,411	—	—	—	37,765
– Issuance of ordinary shares pursuant to capitalisation issue	4,063	(4,063)	—	—	—	—
As at 30 September 2020	5,418	52,348	9,829	1,288	55,927	124,810
As at 1 January 2021	5,418	52,086	13,076	388	59,110	130,078
Profit and total comprehensive income for the period	—	—	—	—	25,651	25,651
Other comprehensive income						
– Exchange difference on translation of foreign operation recognised	—	—	—	48	—	48
Total comprehensive income for the period	—	—	—	48	25,651	25,699
As at 30 September 2021	5,418	52,086	13,076	436	84,761	155,777

* Represented amount of less than RMB1,000.

* The reserves accounts comprise the Group's reserve of RMB150,359,000 in the condensed consolidated statement of financial position as at 30 September 2021 (as at 30 September 2020: RMB119,392,000).



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2021

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 13 December 2018. The immediate and ultimate holding company is Prize Investment Limited, a company incorporated in the British Virgin Islands, which is ultimately controlled by Mr. Xu Youjiang (“Mr. Xu”). The address of the registered office and principal place of business of the Company are at P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and Wukeng Industrial Zone, Longhu Town, Jinjiang City, Fujian Province, People’s Republic of China (the “PRC”), respectively.

The Company is an investment holding company. The Group is principally engaged in the design and development, manufacturing and sales of disposable plastic food storage containers in the PRC.

The unaudited condensed consolidated financial statements (the “Quarterly Financial Statements”) are presented in Renminbi (“RMB”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (RMB’000), unless otherwise stated.

2. BASIS OF PREPARATION

The Quarterly Financial Statements for the nine months ended 30 September 2021 have been prepared in accordance with the applicable disclosure requirements of the GEM Listing Rules and the accounting principles generally accepted in Hong Kong which include the Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations (collectively, “HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The Quarterly Financial Statements does not include all of the information required in the annual consolidated financial statements and should be read in conjunction with the accountant’s report of the Group for the year ended 31 December 2020.

The Quarterly Financial Statements is unaudited.

3. SIGNIFICANT ACCOUNTING POLICIES

The Quarterly Financial Statements for the nine months ended 30 September 2021 have been prepared in accordance with the accounting policies adopted in the Group’s accountant’s report for the year ended 31 December 2020, except for the adoption of the following new and amended Hong Kong Financial Report Standards (“HKFRSs”) issued by the HKICPA effective for the annual period beginning on 1 January 2021.

Adoption of new and amended HKFRSs

The Group has adopted the following new and amended HKFRSs that have become effective for accounting period beginning on 1 January 2021 and are relevant to the Group:

Admendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform - Phase 2
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The adoption of the new and amended HKFRSs had no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

The Group has not applied any new standards, interpretations or amendments to standards and interpretations that is not yet effective for the current accounting period.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2021



4. REVENUE

The Group derives revenue from sales of products in the following brand and nature.

	Three months ended 30 September		Nine months ended 30 September	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Brand:				
Products under "JAZZIT" brand	64,861	57,288	171,587	151,948
Non-branded products	6,406	7,166	19,198	18,595
	71,267	64,454	190,785	170,543
Nature:				
Regular products	41,351	37,708	120,720	107,189
Customised products	29,739	26,454	68,376	61,624
Others	177	292	1,689	1,730
	71,267	64,454	190,785	170,543

5. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging:

	Three months ended 30 September		Nine months ended 30 September	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Depreciation				
– Owned used	2,308	1,715	6,632	4,753
– Held under leases	249	166	745	498
Amortisation of intangible assets included in administrative and other operating expenses	500	500	1,500	1,500
Short-term lease charges in respect of – Premises	—	19	—	57
Cost of inventories recognised as an expense	43,543	37,082	116,521	103,209
Research and development cost (including staff costs)	1,786	1,420	4,344	4,287
Loss on disposals of property, plant and equipment	—	—	154	—
Listing expenses	—	7,525	—	11,658
Staff costs (including Directors' emoluments)				
– Salaries, allowances and other benefits	4,055	3,345	11,595	9,495
– Contributions to defined contribution retirement plans	154	24	451	72

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2021

6. INCOME TAX EXPENSE

No provision for profits tax has been provided by the Company as the Company had no assessable profits subject to taxation in any jurisdiction. No provision for Hong Kong profits tax has been provided as the Group had no assessable profits arising from Hong Kong during the nine months ended 30 September 2021 and 2020.

The provision for PRC enterprise income tax has been provided at the applicable tax rate of 25% (2020: 25%) on the assessable profits of the PRC subsidiaries.

	Three months ended 30 September		Nine months ended 30 September	
	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)	2021 RMB'000 (unaudited)	2020 RMB'000 (unaudited)
Current tax				
– Provision for PRC enterprise income tax	3,499	1,512	9,019	6,310

7. DIVIDEND

On 2 July 2020, the Company declared and paid a dividend in favour of one of the ordinary shareholders of the Company, Prize Investment Limited, in an aggregate amount of RMB7,522,185 to offset the amount due from the ultimate holding company and amount due from a shareholder. No dividend was paid, declared or proposed during the nine months ended 30 September 2021.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 30 September 2021



8. EARNINGS PER SHARE

The calculation of basic earnings per share attributable to equity holders of the Company is based on the following:

	Three months ended 30 September		Nine months ended 30 September	
	2021 (unaudited)	2020 (unaudited)	2021 (unaudited)	2020 (unaudited)
Earnings:				
Profit for the period attributable to equity holder of the Company for the purpose of basic earnings per share (RMB'000)	10,043	4,442	25,651	14,330
Number of shares:				
Number of ordinary shares for the purpose of basic earnings per share (in thousands)	600,000	580,220	600,000	493,248

Diluted earnings per share for both periods were the same as basic earnings per share. No adjustment has been made to the basic earnings per share amounts presented for both periods as there was no potential ordinary share in issue.

The number of ordinary shares for the purpose of calculating basic and diluted earnings per share for both periods has been determined on the assumption that the capitalisation issue had been effective on 1 January 2019.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is principally engaged in the design and development, manufacturing and sales of disposable plastic food storage containers in the PRC. Mr. Xu, the chairman and executive Director of the Company is responsible for the overall management, strategic development and major decision-making of the Group.

The Group facilitates production of a comprehensive range of disposable plastic food storage containers, including the design and production of moulds, which are mainly sold to customers in the PRC, with a small portion of the sales to customers in overseas countries, including the United States, Australia, Saudi Arabia and the Republic of Trinidad and Tobago.

The revenue of the Group recorded an increase by approximately 11.9% from approximately RMB170.5 million for the nine months ended 30 September 2020 to approximately RMB190.8 million for the nine months ended 30 September 2021 primarily due to the demands for the Group's disposable plastic food storage containers having increased and remaining at a high level.

Looking forward, the Directors consider that the Group will continue to be affected by external opportunities and challenges such as the popularity of environmentally friendly disposable plastic food storage containers, advances in production technologies and competition from substitutes, such as disposable food storage containers in the market made of other materials. The Directors are of the view that maintaining product safety and focusing on environmental protection, brand promotion, expansion of sales channels and product customisation remain to be the key drivers for the growth of the disposable plastic storage container business. With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors under such future challenges that are commonly faced by all competitors, and the Group will continue to strengthen its market position in the industry and expand its market share by the implementation of the Group's business plans through utilisation of the net proceeds from the listing of the Company's shares (the "Shares") on GEM of the Stock Exchange (the "Listing") on 13 July 2020.

In view of the a rapidly growing trend over the past few years of the film industry and enhancement of regulatory environment and favorable policies in China, the Directors believe that the investment in film projects at this moment will enable it to leverage the opportunites that the pandemic in China has gradually eased and popular entertainment needs will rebound, and seize the opportunity in the emerging film industry. For which, the Group entered into the equity sale and purchase agreements to acquire 100% equity interest of June Pictures & Media Limited with total consideration RMB72,000,000 during the period. The transaction has not been completed at the date of the quarter report. The Directors believe that investment in the target company will bring considerable income to the Group and is a suitable investment, which will also expand the business scope of the Group.

FINANCIAL REVIEW

Revenue

The revenue increased from approximately RMB170.5 million for the nine months ended 30 September 2020 to approximately RMB190.8 million for the nine months ended 30 September 2021, representing an increase of approximately RMB20.2 million or approximately 11.9%. Such increase was mainly due to the increase in demands for take-away food by the general public due to the outbreak of COVID-19 and the increase in production capacity in line with increased order.

Cost of sales

The cost of sales increased from approximately RMB119.6 million for the nine months ended 30 September 2020 to approximately RMB135.7 million for the nine months ended 30 September 2021, representing an increase of approximately RMB16.1 million or approximately 13.5%. Such increase was in line with the increase in revenue and more expense such as salary and raw material purchased and depreciation, incurred during the period.

Gross Profit

Gross profit of the Group increased by approximately RMB4.1 million or approximately 8.0% from approximately RMB51.0 million for the nine months ended 30 September 2020 to approximately RMB55.1 million for the nine months ended 30 September 2021. The overall gross profit margin slightly decreases from approximately 29.9% for the nine months ended 30 September 2020 to approximately 28.9% for the nine months ended 30 September 2021 because more depreciation expenses were incurred during the period due to acquisitions of new machines in the second half of last year.

Administrative and Other Operating Expenses

Administrative and other operating expenses of the Group decreased by approximately RMB10.9 million or approximately 49.2% from approximately RMB22.1 million for the nine months ended 30 September 2020 to approximately RMB11.2 million for the nine months ended 30 September 2021.

Administrative and other operating expenses primarily consist of staff costs, amortisation expense in intangible assets, travelling expenses, utilisation expenses and entitlement expenses, depreciation, transportation and motor vehicle expenses, professional service fees and other costs incurred for the Group's daily operation. The decrease was mainly attributable to a re-allocation of materials in research and development to construction in progress and decrease in professional service fees following the Listing.



MANAGEMENT DISCUSSION AND ANALYSIS

Listing Expenses

During the nine months ended 30 September 2021 and 2020, the Group recognised non-recurring listing expenses of approximately nil and RMB11.7 million respectively in connection with the Listing.

Finance Costs

During the nine months ended 30 September 2021, finance costs for the Group was approximately RMB152,000 (30 September 2020: approximately RMB111,000). It was mainly due to the lease arrangement in respect of the machinery and equipment.

Income Tax Expense

Income tax expense for the Group increased by approximately RMB2.7 million or approximately 42.9% from approximately RMB6.3 million for the nine months ended 30 September 2020 to approximately RMB9.0 million for the nine months ended 30 September 2021. Apart from increase in non-tax deductible listing expenses incurred in the holding company, the increase in taxation was mainly attributable to the increase in profit before taxation from approximately RMB20.6 million for the nine months ended 30 September 2020 to approximately RMB34.7 million for the nine months ended 30 September 2021.

Profit for the Period

Profit for the period increased by approximately RMB11.3 million or approximately 79.0% from approximately RMB14.3 million for the nine months ended 30 September 2020 to approximately RMB25.7 million for the nine months ended 30 September 2021. This was primarily attributable to the net effect of the increase in gross profit, selling expenses, income tax expense and administrative and other operating expenses.

Listing on GEM

The Shares were listed on GEM of the Stock Exchange on 13 July 2020 with a total of 150,000,000 Shares issued at HK\$0.4 each by way of share offer and placing, raising net proceeds of HK\$22.8 million (approximately RMB20.4 million) after deducting underwriting commissions and all related expenses.

DISCLOSURE OF INTERESTS

A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the date of this report, the interests or short positions of the Directors, chief executives of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

Long Position in the Company's Shares

Name of Director	Capacity	Number and class of securities (Note 1)	Long/short position	Approximate percentage of shareholding in the Company
Mr. Xu	Interest of a controlled corporation ^(Note 1)	301,500,000 ordinary shares	Long	50.25%
Ms. Xu Liping	Interest of spouse ^(Note 2)	301,500,000 ordinary shares	Long	50.25%

Notes:

1. M. Xu holds the entire issued share capital of Prize Investment Limited. Accordingly, Mr. Xu is deemed to be interested in the Shares held by Prize Investment Limited under the SFO.
2. Ms. Xu Liping is the spouse of Mr. Xu and is therefore deemed to be interested in the Shares in which Mr. Xu is interested under the SFO.

MANAGEMENT DISCUSSION AND ANALYSIS

B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures

As at the date of this report, the interests and short positions of the person (other than the Directors or chief executive of the Company) or company in the Shares, underlying Shares and debentures of the Company which was required to be recorded in the register required to be kept under Section 336 of the SFO were as follows:

Name	Capacity	Number and class of securities	Long/short position	Approximate percentage of shareholding in the Company
Prize Investment Limited	Beneficial owner	301,500,000 ordinary shares	Long	50.25%
Merit Winner Limited ("Merit Winner")	Beneficial owner	67,500,000 ordinary shares	Long	11.25%
Mr. Hui Man Kit ("Mr. Hui")	Interest of a controlled corporation ^(Note 1)	67,500,000 ordinary shares	Long	11.25%
Ms. Hui Mei Nga	Interest of spouse ^(Note 2)	67,500,000 ordinary shares	Long	11.25%
Sun Kong Investments (BVI) Limited ("Sun Kong")	Beneficial owner	54,000,000 ordinary shares	Long	9.00%
Mr. Wong Hing Nam ("Mr. Wong")	Interest of a controlled corporation ^(Note 3)	54,000,000 ordinary shares	Long	9.00%
Ms. Chan Lai Yin	Interest of spouse ^(Note 4)	54,000,000 ordinary shares	Long	9.00%

Notes:

1. The entire issued share capital of Merit Winner was held by Mr. Hui. Accordingly, Mr. Hui is deemed to be interested in the Shares held by Merit Winner under the SFO.
2. Ms. Hui Mei Nga is the spouse of Mr. Hui and is therefore deemed to be interested in the Shares in which Mr. Hui is interested under the SFO.
3. The entire issued share capital of Sun Kong was held by Mr. Wong. Accordingly, Mr. Wong is deemed to be interested in the Shares held by Sun Kong under the SFO.
4. Ms. Chan Lai Yin is the spouse of Mr. Wong and is therefore deemed to be interested in the Shares in which Mr. Wong is interested under the SFO.

Save as disclosed above, as at the date of this report and so far as is known to the Directors, no person, other than the Directors and chief executive and substantial shareholders of the Company and other persons whose interests are set out in the section "A. Directors' and Chief Executives' Interests and Short Positions in Shares, Underlying Shares and Debentures" and "B. Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares, Underlying Shares and Debentures" above, had notified the Company of an interest or short positions in the Shares or underlying shares and/or the debentures of the Company that was required to be recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

COMPETING AND CONFLICTS OF INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective associates (as defined in the GEM Listing Rules) that competes or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the nine months ended 30 September 2021.

INTERESTS OF COMPLIANCE ADVISER

As notified by the compliance adviser of the Company, Grand Moore Capital Limited ("Grand Moore"), as at 30 September 2021, save for the compliance adviser agreement dated 12 June 2019 entered into between the Company and Grand Moore, neither Grand Moore, its directors, employees and close associates (as defined under the GEM Listing Rules) had any interests in relation to the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2021.

SIGNIFICANT INVESTMENTS, ACQUISITIONS AND DISPOSALS

On 10 September 2021, the Company entered into the equity sale and purchase agreements with Mr. Xu, Yeewo Pictures & Media Limited ("Yeewo Pictures") and Mr. Gong Zongfan ("Mr.Gong"), pursuant to which, the Company has conditionally agreed to acquire, and Mr. Xu, Yeewo Pictures and Mr. Gong have conditionally agreed to collectively sell 100% of the issued share capital of June Pictures & Media Limited ("Target Company"), at a consideration of RMB72,000,000 (equivalent to HK\$86,400,000). The Consideration shall be satisfied by the Company by way of: (i) issue and allotment of 336,000,000 new shares of the Company to Mr. Xu; (ii) issue and allotment of 72,000,000 new shares of the Company to Yeewo Pictures; and (iii) issue and allotment of 72,000,000 new shares of the Company to Mr. Gong, at an issue price of HK\$0.18 per new share, resulting in the total value of HK\$86,400,000 (equivalent to approximately RMB72,000,000). The completion of the transaction is conditional upon fulfilment or waiver (as the case may be) of certain conditions. Upon the completion, the Company will hold 100% equity interest in the Target Company and the financial statements of the Target Company will be consolidated into the consolidated financial statements of the Group.

Details of the above transaction is set out in the announcement of the Company dated 10 September 2021.

Save as disclosed above, the Group did not make any other significant investments, acquisitions or disposal during the nine months ended 30 September 2021 which would constitute a discloseable transaction under GEM Listing Rules.

CORPORATE GOVERNANCE CODE

Ms. Xu Liping is the chief executive officer of the Group, while Mr. Xu is the chairman. The roles of the chairman and chief executive officer are separated and performed by different individuals.

During the nine months ended 30 September 2021, the Company has complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 of the GEM Listing Rules.



MANAGEMENT DISCUSSION AND ANALYSIS

DIRECTORS' SECURITIES TRANSACTIONS

The Group has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. The Company had also made specific enquiries of all the Directors and the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors throughout the nine months ended 30 September 2021.

DIVIDEND

On 2 July 2020, the Company declared and paid a dividend in favour of one of the ordinary shareholders of the Company, Prize Investment Limited, in an aggregate amount of RMB7,522,185 to offset the amount due from the ultimate holding company and amount due from a shareholder. No dividend was paid, declared or proposed during the nine months ended 30 September 2021.

AUDIT COMMITTEE

The Company established an audit committee ("Audit Committee") with its written terms of reference in compliance with the GEM Listing Rules, in accordance with provisions set out in the CG Code which are available on the websites of the Stock Exchange and the Company. The primary duties of the Audit Committee are mainly (i) to review and supervise the financial reporting process and to oversee the audit process of our Group; (ii) to oversee internal control procedures and corporate governance of our Group; (iii) to supervise internal control systems of our Group; and (iv) to monitor any continuing connected transactions. The Audit Committee consists of three members, namely Mr. Chung Chi Kit, Mr. Liu Dajin and Mr. Deng Zhihuang, all being independent non-executive Directors of the Company. Mr. Chung Chi Kit currently serves as the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2021. The Audit Committee is of the opinion that the unaudited condensed consolidated financial statements of the Group comply with applicable accounting standards and the GEM Listing Rules.

By order of the Board
Yik Wo International Holdings Limited
Xu Youjiang
Chairman and Executive Director

Hong Kong, 12 November 2021

As at the date of this report, the executive Directors are Mr. Xu Youjiang, Ms. Xu Liping and Mr. Zhang Yuansheng, and the independent non-executive Directors are Mr. Chung Chi Kit, Mr. Liu Dajin, and Mr. Deng Zhihuang.