



YU TAK INTERNATIONAL HOLDINGS LIMITED

御德國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 8048)

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2022

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Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This announcement, for which the directors (the “Directors”) of Yu Tak 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 announcement 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 announcement misleading.

INTERIM RESULTS

The Directors present the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the three months and six months ended 30 June 2022 (“Financial Statements”), together with the comparative figures for the corresponding periods in 2021, as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2022

	<i>Notes</i>	(Unaudited)		(Unaudited)	
		Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	4,899	7,792	8,318	15,358
Other income		342	805	343	817
Change in inventories		(147)	(927)	(147)	(1,845)
Purchase of goods		–	(1,395)	–	(2,165)
Professional fees		(2,478)	(2,257)	(3,534)	(5,308)
Employee benefits expenses		(2,955)	(3,677)	(6,317)	(7,486)
Depreciation and amortisation		(330)	(386)	(671)	(608)
Write-down of inventories to net realisable value		–	(4,165)	–	(4,165)
Impairment loss for goodwill		–	(1,973)	–	(1,973)
Others		(2,057)	(1,355)	(3,080)	(2,520)
		<hr/>	<hr/>	<hr/>	<hr/>
Loss before income tax	5	(2,726)	(7,538)	(5,088)	(9,895)
Income tax expense	6	(51)	–	(51)	–
		<hr/>	<hr/>	<hr/>	<hr/>
Loss for the period		(2,777)	(7,538)	(5,139)	(9,895)
		<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

		(Unaudited)		(Unaudited)	
		Three months ended		Six months ended	
		30 June		30 June	
		2022	2021	2022	2021
Notes		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss for the period		<u>(2,777)</u>	<u>(7,538)</u>	<u>(5,139)</u>	<u>(9,895)</u>
Other comprehensive expense for the period					
<i>Items that will not be reclassified subsequently to profit or loss:</i>					
Financial assets at fair value through other comprehensive income (“FVOCI”) (non-recycling) reversed upon disposal of unlisted equity investment		<u>–</u>	<u>(227)</u>	<u>–</u>	<u>(227)</u>
		<u>–</u>	<u>(227)</u>	<u>–</u>	<u>(227)</u>
Total comprehensive expense for the period		<u>(2,777)</u>	<u>(7,765)</u>	<u>(5,139)</u>	<u>(10,122)</u>
Loss per share					
– Basic and diluted (in HK cents)	7	<u>(0.14)</u>	<u>(0.39)</u>	<u>(0.26)</u>	<u>(0.51)</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	<i>Notes</i>	(Unaudited) 30 June 2022 <i>HK\$'000</i>	(Audited) 31 December 2021 <i>HK\$'000</i>
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	9	915	1,323
Right-of-use assets		423	836
Financial assets		24,223	24,223
		<u>25,561</u>	<u>26,382</u>
Current assets			
Inventories		46,711	46,858
Contract assets		3,250	2,743
Trade receivables	10	527	9,348
Other receivables, deposits and prepayments		30,117	25,591
Cash and bank balances		21,353	19,562
		<u>101,958</u>	<u>104,102</u>
Current liabilities			
Trade payables	11	426	4,803
Other payables and accrued charges		12,788	4,956
Contract liabilities		6,589	9,446
Amounts due to directors		3,620	1,800
Lease liabilities		517	539
Tax payable		-	72
		<u>23,940</u>	<u>21,616</u>
Net current assets		<u>78,018</u>	<u>82,486</u>
Total assets less current liabilities		<u>103,579</u>	<u>108,868</u>
Non-current liabilities			
Lease liabilities		199	349
Net assets		<u>103,380</u>	<u>108,519</u>
EQUITY			
Share capital	12	194,769	194,769
Reserves		(91,389)	(86,250)
Total equity		<u>103,380</u>	<u>108,519</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	Total equity						Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Exchange reserve HK\$'000	Capital reserve HK\$'000	Fair value reserve (non-recycling) HK\$'000	Accumulated losses HK\$'000	
At 31 December 2021 & 1 January 2022	194,769	218,532	(2,864)	(2,235)	24,223	(323,906)	108,519
Loss for the period	-	-	-	-	-	(5,139)	(5,139)
Other comprehensive expense for the period	-	-	-	-	-	-	-
Total comprehensive expense for the period	-	-	-	-	-	(5,139)	(5,139)
At 30 June 2022	<u>194,769</u>	<u>218,532</u>	<u>(2,864)</u>	<u>(2,235)</u>	<u>24,223</u>	<u>(329,045)</u>	<u>103,380</u>

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

	(Unaudited)	
	Six months ended 30 June	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Cash flows from operating activities		
Loss before income tax	(5,139)	(9,895)
Adjustments for non-cash items and net changes in working capital	<u>6,930</u>	<u>5,966</u>
Net cash flows used in operating activities	<u>1,791</u>	<u>(3,929)</u>
Cash flows from investing activities		
Net changes in property, plant and equipment	-	(20)
Disposal of financial assets	-	25
Acquisition of non-controlling interest in a subsidiary	<u>-</u>	<u>(10)</u>
Net cash used in investing activities	<u>-</u>	<u>(5)</u>
Net decrease in cash and cash equivalents	1,791	(3,934)
Cash and cash equivalents at the beginning of the period	<u>19,562</u>	<u>23,524</u>
Cash and cash equivalents at the end of the period	<u><u>21,353</u></u>	<u><u>19,590</u></u>

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED 30 JUNE 2022

1. GENERAL INFORMATION

The Company is incorporated in Bermuda as an exempted company with limited liability. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and its principal place of business is Hong Kong. The Company's shares are listed on GEM of the Stock Exchange.

The Group is principally engaged in the development, sale and implementation of enterprise software, provision of systems integration and professional services, design and sales of gold and jewellery products and investment holding. The Group's operations are based in Hong Kong and the People's Republic of China (the "PRC").

These consolidated financial statements are presented in Hong Kong dollars ("HK\$").

2. BASIS OF PREPARATION

New and amended HKFRSs that are effective for annual periods beginning on 1 January 2022

The Group has applied for the first time the following amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 January 2022:

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 16	Property, Plant and Equipment - Proceeds before Intended Use
Amendments to HKAS 37	Onerous Contracts - Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020
Accounting Guideline 5 (Revised)	Merger Accounting for Common Control Combination

The adoption of the new and amended HKFRSs had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

3. REVENUE

The Group's revenue recognized during the period is as follows:

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Sales of gold and jewellery products	209	2,926	209	4,933
Enterprise software products	3,677	3,737	6,217	7,186
Professional services	1,013	1,129	1,892	3,239
	<u>4,899</u>	<u>7,792</u>	<u>8,318</u>	<u>15,358</u>
Total revenue	4,899	7,792	8,318	15,358

4. SEGMENT INFORMATION

The executive Directors, being the chief operating decision makers, have identified the Group's two products and service lines as operating segments. Each of these operating segments is managed separately as each of the product and service lines requires different resources as well as marketing approaches.

These operating segments are monitored and strategic decisions are made on the basis of adjusted segment operating results.

	Six months ended 30 June 2022		
	Jewellery Products <i>HK\$'000</i>	IT Products and Services <i>HK\$'000</i>	Total <i>HK\$'000</i>
Revenue			
– From external customers	209	8,109	8,318
	<u>209</u>	<u>8,109</u>	<u>8,318</u>
Reportable segment revenue	209	8,109	8,318
Reportable segment loss before income tax	(5,073)	(15)	(5,088)
Depreciation and amortization	(545)	(126)	(671)
	<u>(545)</u>	<u>(126)</u>	<u>(671)</u>

The totals presented for the Group's operating segments reconcile to the Group's key financial figures as presented in the condensed consolidated financial statements as follows:

	Six months ended 30 June 2021		Total <i>HK\$'000</i>
	Jewellery Products <i>HK\$'000</i>	IT Products and Services <i>HK\$'000</i>	
Revenue			
– From external customers	4,933	10,425	15,358
Reportable segment revenue	<u>4,933</u>	<u>10,425</u>	<u>15,358</u>
Reportable segment loss before income tax	(7,833)	(2,062)	(9,895)
Write-down of inventories to net realisable value	(4,165)	–	(4,165)
Impairment loss for goodwill	–	(1,973)	(1,973)
Depreciation and amortization	(450)	(158)	(608)
	<u>(12,448)</u>	<u>(4,193)</u>	<u>(16,641)</u>
		30 June 2022	31 December 2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
Reportable segment assets			
– Jewellery Products		286,522	288,319
– IT Products and Services		65,951	67,119
		<u>352,473</u>	<u>355,438</u>
Elimination of inter-segment receivables		(224,954)	(224,954)
Group assets		<u>127,519</u>	<u>130,484</u>
		30 June 2022	31 December 2021
		<i>HK\$'000</i>	<i>HK\$'000</i>
Reportable segment liabilities			
– Jewellery Products		15,379	12,102
– IT Products and Services		233,714	234,817
		<u>249,093</u>	<u>246,919</u>
Elimination of inter-segment payables		(224,954)	(224,954)
Group liabilities		<u>24,139</u>	<u>21,965</u>

The Group's revenue from external customers and its non-current assets (other than financial instruments) are divided into the following geographical areas:

	Revenue from external customers		Non-current assets	
	Six months ended			
	30 June		30 June	31 December
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	3,408	3,707	687	1,070
PRC and Taiwan	2,101	10,641	594	989
South East Asia	2,809	1,010	57	100
	<u>8,318</u>	<u>15,358</u>	<u>1,338</u>	<u>2,159</u>

5. LOSS BEFORE INCOME TAX

Loss before income tax is arrived at after (charging)/crediting:

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Write-down of inventories to net realisable value	-	(4,165)	-	(4,165)
Impairment loss for goodwill	-	(1,973)	-	(1,973)
Depreciation of property, plant and equipment	(203)	(201)	(408)	(427)
Interest income	4	2	4	9
	<u>4</u>	<u>2</u>	<u>4</u>	<u>9</u>

6. INCOME TAX EXPENSE

No provision for Hong Kong Profits Tax has been made in the condensed consolidated financial statements as the Group's entities either incurred tax losses for the respective periods or their estimated assessable profits for the respective periods were wholly absorbed by unrelieved tax losses brought forward from previous years.

Taxation on overseas profits has been calculated on the estimated assessable profits for the respective periods at the rates prevailing in the countries in which the Group operates.

	Three months ended		Six months ended	
	30 June		30 June	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Current tax				
- Overseas				
Tax for the period	51	-	51	-
	<u>51</u>	<u>-</u>	<u>51</u>	<u>-</u>
Total income tax expense	<u>51</u>	<u>-</u>	<u>51</u>	<u>-</u>

7. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

8. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the six months ended 30 June 2022 is based on the loss attributable to owners of the Company of HK\$5,139,000 (2021: loss of HK\$9,895,000) and the weighted average number of ordinary shares of 1,947,690,000 (2021: 1,949,690,000) in issue during the period.

Diluted loss per share for the six months ended 30 June 2022 and 2021 is the same as the basic loss per share as there is no potential dilutive ordinary share in issue during the periods.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2022, the Group has no addition of property, plant and equipment (six months ended 30 June 2021: HK\$31,000).

10. TRADE RECEIVABLES

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
Trade receivables	555	9,638
Less: ECL allowance	(28)	(290)
	<u>527</u>	<u>9,348</u>

Trade receivables from third parties for IT products and Services are due within 14 days to 60 days from the date of billing. Debtors with balances that are more than 90 days overdue are requested to settle all outstanding balances before any further credit is granted.

The Group's sales of gold and jewellery products comprise mainly cash sales and credit card sales to retail customers and credit sales to franchisees with 0 – 60 days credit terms.

During the reporting period, the Group kept assessing the expected credit loss of all receivables and established a provision of doubtful debts. The provision for doubtful debts is recorded using a provision account unless the Group is satisfied that recovery is remote, in which case the expected credit loss is written off against trade receivables and the provision for doubtful debts directly.

The directors of the Group considered that the fair values of trade receivables are not materially different from their carrying amounts because these balances have short maturity periods at their inception.

Based on the invoice dates (or date of revenue recognition if earlier), the ageing analysis of the trade receivables, net of provision for impairment was as follows:

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
0 – 30 days	461	2,772
31 – 60 days	66	6,099
61 – 90 days	–	–
Over 90 days	–	477
	<u>527</u>	<u>9,348</u>

11. TRADE PAYABLES

The Group was granted by its third parties suppliers credit periods ranging from 30 – 60 days. Based on the invoice dates, the ageing analysis of the trade payables were as follows:

	30 June 2022 HK\$'000	31 December 2021 HK\$'000
0 – 30 days	424	4,802
Over 90 days	2	1
	<u>426</u>	<u>4,803</u>

All amounts are short term and hence the carrying values of trade payables are considered to be a reasonable approximation of its fair value.

12. SHARE CAPITAL

	Number of shares	HK\$'000
Ordinary shares of HK\$0.1 each		
Authorised:		
At 1 January 2021, 31 December 2021, 1 January 2022 and 30 June 2022	<u>5,000,000,000</u>	<u>500,000</u>
Issued and fully paid:		
At 1 January 2021 and 31 December 2021 1 January 2022 and 30 June 2022	<u>1,947,690,000</u>	<u>194,769</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group's loss attributable to owners of the Company for the six months ended 30 June 2022 was HK\$5,139,000 (2021: HK\$9,895,000).

During the six months ended 30 June 2022, the Group recorded a turnover of HK\$8,318,000 representing a decrease of approximately 46% compared with a turnover of HK\$15,358,000 in the same period of last year.

Revenue from sales of gold and jewellery products amounted to only HK\$209,000 (2021: 4,933,000) due to recurrent lockdowns of various cities of Mainland China. Income from sales of enterprise software products was HK\$6,217,000, decreased by approximately 13% (2021: HK\$7,186,000). Professional service business income diminished by approximately 42% to HK\$1,892,000 (2021: HK\$3,239,000).

Liquidity and Financial Resources

As of 30 June 2022, the Group was in a financial position with cash and cash equivalents of HK\$21,353,000 (31 December 2021: HK\$19,590,000).

The Group monitors its capital structure using the gearing ratio which is net debt divided by total equity. For this purpose, the Group defines net debt as debt, which comprises long-term and short-term borrowings, less cash and cash equivalents. Total equity comprises equity attributable to owners of the Company and non-controlling interests stated in the consolidated statement of financial position. As of 30 June 2022 and 31 December 2021, cash and cash equivalents exceeded debt, therefore the gearing ratio of the Group was zero.

Capital Structure

There is no change in number of issued share capital in the six month period ended 30 June 2022.

Segmental Performances

For the six months ended 30 June 2022, while the Jewellery Products business reported turnover of HK\$209,000 (2021: 4,933,000), the IT Products and Services segment reported a turnover of HK\$8,109,000, representing a fall of approximately 22% (2021: HK\$10,425,000).

Employees

The total number of employees as of 30 June 2022 was 36 (Beginning of 2021: 41).

Outlook for the Second Half of 2022

Gold price started in 2022 at US\$1,806/oz and surged by 7% to US\$1,937/oz at the end of Q1 but fell to US\$1,805/oz at the end of Q2. Intensified geopolitical conflicts did not further fuel gold prices against US dollars amid expectations of aggressive rate raise of Federal Reserve against inflation. In terms of RMB, gold prices actually surged by 4% in 1H 2022.

According to latest data released by the Ministry of Commerce, economy of Mainland China grew by only 0.4% in Q2 2022, bringing down GDP growth of 1H 2022 to 2.5% while lockdowns in various cities continued and private consumption, industrial output, economic sentiment, and exports were heavily weighted. Beside, retail sales improved by 3.1% year-on-year in June from a drop of 6.7% in May. Although the nationwide survey-based jobless rate eased from 5.9% of May to 5.5% of June, youth unemployment climbed to a record of 19.3%, It implied that recovery of retail sales would be suppressed continually.

Moving on to Q3, Mainland China is facing a renewed financial crisis brought by prolonged liquidity problems of enterprises impacted by tightened bank credits to the property developers. Not until these problems can be resolved, any attempt to boost domestic demand and economic growth, perhaps, will not be effective.

The management believe that environment for the rest of the year will remain unfavorable for business development. While the Group's Jewellery Products business will be affected inevitably, impacts on the IT Products and Services segment can be relatively mild.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

At 30 June 2022, the interests and short positions of the Directors and the Chief Executive Officer of the Company and their associates in the shares, underlying shares or debentures of the Company and its associated corporations, as recorded in the register maintained by the Company pursuant to Section 352 of the Securities and Futures Ordinance (the "SFO"), or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Rule 5.46 of the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the "GEM Listing Rules"), were as follows:

Long positions in the ordinary shares of HK\$0.10 each of the Company

Name of Director	Number of ordinary shares held			Total	Percentage of the issued share capital of the Company
	Beneficial Owner	Held by family	Held by controlled corporation		
Ms. LI Xia	–	–	804,159,697 (Note 1)	804,159,697	41.29%
Mr. CHEN Yin	–	–	149,455,740 (Note 2)	149,455,740	7.67%
Mr. CHONG Yu Ping	36,726,000	–	–	36,726,000	1.88%

Notes:

- (1) These shares were held by Ocean Expert Investments Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Ms. Li Xia.
- (2) These shares were held by Flourish Zone Limited, a company incorporated in the British Virgin Islands which is wholly-owned by Mr. Chen Yin.

Save as disclosed above, none of the Directors nor their associates had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations as at 30 June 2022.

SUBSTANTIAL SHAREHOLDERS

As at 30 June 2022, so far as is known to the Directors and the chief executives of the Company, the interests and short positions of the persons or corporations in the shares or underlying shares of the Company which have been disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept by the Company under section 336 of the SFO or, were, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company were as follows:

Name of party	Notes	Capacity in which interests are held	Number of issued ordinary shares held	Percentage of the issued share capital of the Company
Ocean Expert Investments Limited	Note 1	Beneficial owner	804,159,697	41.29%
Ms. LI Xia	Note 1	Interest in a controlled corporation	804,159,697	41.29%
Flourish Zone Limited	Note 2	Beneficial owner	149,455,740	7.67%
Mr. CHEN Yin	Note 2	Interest in a controlled corporation	149,455,740	7.67%
CK Hutchison Holdings Limited	Note 3	Interest in controlled corporations	143,233,151	7.35%

Notes:

- (1) Ocean Expert Investments Limited is a company incorporated in the British Virgin Islands and wholly-owned by Ms. Li Xia.
- (2) Flourish Zone Limited is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chen Yin.
- (3) CK Hutchison is deemed to be interested in a total of 143,233,151 shares of the Company through its controlled companies.

Save as disclosed above, the Company has not been notified of any other interests or short positions in the issued share capital of the Company as at 30 June 2022.

CODE ON CORPORATE GOVERNANCE PRACTICE

The Company is committed to the establishment of good corporate governance practices and procedures. The Directors believe that sound and reasonable corporate governance practices are essential for the growth of the Company and for safeguarding the shareholders' interests and the Company's assets. The Company's code of corporate governance practices was adopted with reference to the code provisions of the Corporate Governance Code (the "Code Provisions") contained in Appendix 15 of the GEM Listing Rules to ensure that the Group's business activities and decision making processes are regulated in a proper and prudent manner. The Company has complied with the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules during the period ended 30 June 2022.

AUDIT COMMITTEE

The audit committee was established on 11 August 2000 with terms of reference in accordance with Rules 5.05(2) and 5.28 to 5.29 and Code C of the Code Provisions of the GEM Listing Rules. The audit committee currently comprises three members – Mr. Lam Tin Faat, Ms. Zhao Xiaxia and Ms. Na Xin, all of whom are independent non-executive Directors. Mr. Lam Tin Faat is the chairman of the audit committee. The audit committee's principal duties, amongst other things, are to review and supervise the financial reporting process, internal control procedures and risk management systems of the Group.

The unaudited consolidated results of the Group for the six months ended 30 June 2022 have been reviewed by the audit committee, who is of the opinion that such statements comply with the applicable accounting standards and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The remuneration committee was established on 10 May 2005.

The Company adopts that a remuneration committee be established with specific written terms of reference which deal clearly with its authority and duties. The terms of reference follow the requirement of Code Provisions B.1.2 of the GEM Listing Rules.

The remuneration committee currently comprises Mr. Lam Tin Faat and Ms. Na Xin, both are independent non-executive Directors, and Ms. Li Xia who is executive Director. Mr. Lam Tin Faat is the chairman of the remuneration committee.

NOMINATION COMMITTEE

The nomination committee was established on 21 March 2012.

The Company adopts that a nomination committee be established with specific written terms of reference which deal clearly with its authority and duties. The terms of reference will follow the requirement of Code Provisions A.5.2 of the GEM Listing Rules.

The nomination committee currently comprises Mr. Lam Tin Faat and Ms. Na Xin, both are independent non-executive Directors, and Ms. Li Xia who is an executive Director. Mr. Lam Tin Faat is the chairman of the nomination committee.

COMPLIANCE OF CODE FOR DIRECTORS' SECURITIES TRANSACTION

The Company adopts a code of conduct regarding securities transactions by directors on terms from the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules. Having made specific enquiry of all Directors, all Directors confirm that they have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the six months ended 30 June 2022.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the directors, the management shareholders or their respective associates (as defined in the GEM Listing Rules) had an interest in a business which causes or may cause significant competition with the business of the Group.

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

During the six months period under review, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

By order of the Board
Yu Tak International Holdings Limited
Li Xia
Chairman

Hong Kong, 12 August 2022

As at the date of this announcement, the Board comprises:

Ms. LI Xia (*Executive Director*)

Mr. CHONG Yu Ping (*Executive Director*)

Mr. CHEN Yin (*Executive Director*)

Mr. LAM Tin Faat (*Independent Non-executive Director*)

Ms. ZHAO Xiaxia (*Independent Non-executive Director*)

Ms. NA Xin (*Independent Non-executive Director*)

This announcement will remain on the GEM website at <http://www.hkgem.com> on the "Latest Listed Company Information" page for at least seven days from the date of its publication and be published and remains on the Company's website at www.hkjewelry.net.