



**Yu Tak International Holdings Limited**

**御德國際控股有限公司**

(Incorporated in Bermuda with limited liability)

Stock Code : 8048

**2023**

**INTERIM REPORT**

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

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**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 report, 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 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.*

## 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 2023 (“Financial Statements”), together with the comparative figures for the corresponding periods in 2022, as follows:

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

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2023

	Notes	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
<b>Revenue</b>	3	<b>3,999</b>	4,899	<b>6,465</b>	8,318
Other income		<b>377</b>	342	<b>598</b>	343
Change in inventories		<b>(441)</b>	(147)	<b>2,324</b>	(147)
Purchase of goods		<b>(95)</b>	–	<b>(2,950)</b>	–
Professional fees		<b>(722)</b>	(2,478)	<b>(1,732)</b>	(3,534)
Employee benefits expenses		<b>(3,525)</b>	(2,955)	<b>(6,408)</b>	(6,317)
Depreciation and amortisation		<b>(369)</b>	(330)	<b>(609)</b>	(671)
Others		<b>(2,071)</b>	(2,057)	<b>(4,309)</b>	(3,080)
<b>Loss before income tax</b>	5	<b>(2,847)</b>	(2,726)	<b>(6,621)</b>	(5,088)
Income tax expense	6	–	(51)	–	(51)
<b>Loss for the period</b>		<b>(2,847)</b>	(2,777)	<b>(6,621)</b>	(5,139)

	(Unaudited)		(Unaudited)	
	Three months ended		Six months ended	
	30 June		30 June	
	2023	2022	2023	2022
Notes	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Loss for the period</b>	<u>(2,847)</u>	<u>(2,777)</u>	<u>(6,621)</u>	<u>(5,139)</u>
<b>Other comprehensive expense for the period</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total comprehensive expense for the period</b>	<u>(2,847)</u>	<u>(2,777)</u>	<u>(6,621)</u>	<u>(5,139)</u>
<b>Loss for the period attribute to:-</b>				
Owners of the Company	<u>(2,468)</u>	<u>(2,777)</u>	<u>(5,691)</u>	<u>(5,139)</u>
Non-controlling interests	<u>(379)</u>	<u>-</u>	<u>(930)</u>	<u>-</u>
	<u>(2,847)</u>	<u>(2,777)</u>	<u>(6,621)</u>	<u>(5,139)</u>
<b>Total comprehensive Loss attributable to:-</b>				
Owners of the Company	<u>(2,468)</u>	<u>(2,777)</u>	<u>(5,691)</u>	<u>(5,139)</u>
Non-controlling interest	<u>(379)</u>	<u>-</u>	<u>(930)</u>	<u>-</u>
	<u>(2,847)</u>	<u>(2,777)</u>	<u>(6,621)</u>	<u>(5,139)</u>
<b>Loss per share attributable to owners of the Company – Basic and diluted (in HK cents)</b>	7 <u>(0.13)</u>	<u>(0.14)</u>	<u>(0.29)</u>	<u>(0.26)</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2023

		(Unaudited) 30 June 2023 HK\$'000	(Audited) 31 December 2023 HK\$'000
	<i>Notes</i>		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	9	2,890	1,123
Right-of-use assets		1,687	2,249
Financial assets		<b>24,878</b>	24,878
		<b>29,455</b>	28,250
<b>Current assets</b>			
Inventories		46,261	43,937
Contract assets		2,298	2,228
Trade receivables	10	638	1,525
Other receivables, deposits and prepayments		16,887	23,601
Cash and bank balances		<b>20,219</b>	23,438
		<b>86,303</b>	94,729

		(Unaudited) 30 June 2023 HK\$'000	(Audited) 31 December 2023 HK\$'000
	Notes		
<b>Current liabilities</b>			
Trade payables	11	385	494
Other payables and accrued charges		5,044	5,244
Contract liabilities		5,349	6,776
Amounts due to directors		7,824	5,779
Lease liabilities		450	735
Tax payable		–	189
		<u>19,052</u>	<u>19,217</u>
<b>Net current assets</b>		<u>67,251</u>	75,512
<b>Total assets less current liabilities</b>		<u>96,706</u>	103,762
<b>Non-current liabilities</b>			
Lease liabilities		<u>1,250</u>	1,685
<b>Net assets</b>		<u>95,456</u>	<u>102,077</u>
<b>EQUITY</b>			
Share capital	12	194,769	194,769
Reserves		<u>(101,114)</u>	<u>(95,423)</u>
<b>Equity attributable to owners of the Company</b>		<u>93,655</u>	99,346
Non-controlling Interest		<u>1,801</u>	<u>2,731</u>
		<u>95,456</u>	<u>102,077</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	Total equity attributable to owners of the Company						
	Share capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Exchange reserve <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Fair value reserve (non-recycling) <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Total <i>HK\$'000</i>
At 31 December 2022 & 1 January 2023	194,769	218,532	(5,777)	(2,235)	24,878	(330,821)	99,346
Loss for the period	-	-	-	-	-	(5,691)	(5,691)
Other comprehensive expense for the period	-	-	-	-	-	-	-
Total comprehensive expense for the period	-	-	-	-	-	(5,691)	(5,691)
At 30 June 2023	194,769	218,532	(5,777)	(2,235)	24,878	(336,512)	93,655

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

	(Unaudited)	
	Six months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(6,621)	(5,139)
Adjustments for non-cash items and net changes in working capital	7,623	6,930
<b>Net cash flows used in operating activities</b>	<b>(1,002)</b>	1,791
<b>Cash flows from investing activities</b>		
Net changes in property, plant and equipment	(2,217)	–
<b>Net cash used in investing activities</b>	<b>(2,217)</b>	–
<b>Net decrease in cash and cash equivalents</b>	<b>(3,219)</b>	1,791
<b>Cash and cash equivalents at the beginning of the period</b>	<b>23,438</b>	19,562
<b>Cash and cash equivalents at the end of the period</b>	<b>20,219</b>	21,353

# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2023

## 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 2023**

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 period beginning on 1 January 2023:

HKFRS 17	Insurance Contracts and related amendments
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction

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 30 June		Six months ended 30 June	
	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Sales of gold and jewellery products	–	209	–	209
Enterprise software products	<b>2,217</b>	3,677	<b>4,313</b>	6,217
Professional services	<b>934</b>	1,013	<b>1,064</b>	1,892
Others	<b>848</b>	–	<b>1,088</b>	–
<b>Total revenue</b>	<b>3,999</b>	4,899	<b>6,465</b>	8,318

#### 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. 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:

	<b>Six months ended 30 June 2023</b>			
	<b>Jewellery Products HK\$'000</b>	<b>IT Products and Services HK\$'000</b>	<b>Others HK\$'000</b>	<b>Total HK\$'000</b>
<b>Revenue</b>				
– From external customers	–	<u>5,377</u>	<u>1,088</u>	<u>6,465</u>
<b>Reportable segment revenue</b>	<u>–</u>	<u>5,377</u>	<u>1,088</u>	<u>6,465</u>
<b>Reportable segment loss before income tax</b>	<u>(3,520)</u>	<u>(589)</u>	<u>(2,512)</u>	<u>(6,621)</u>
Depreciation and amortization	<u>(412)</u>	<u>(22)</u>	<u>(175)</u>	<u>(609)</u>

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>
<b>Revenue</b>			
– From external customers	209	8,109	8,318
<b>Reportable segment revenue</b>	<b>209</b>	<b>8,109</b>	<b>8,318</b>
<b>Reportable segment loss before income tax</b>	(5,073)	(15)	(5,088)
Depreciation and amortization	(545)	(126)	(671)

	<b>30 June 2023 <i>HK\$'000</i></b>	31 December 2022 <i>HK\$'000</i>
<b>Reportable segment assets</b>		
– Jewellery Products	<b>268,980</b>	271,946
– IT Products and Services	<b>65,615</b>	66,139
– Others	<b>6,117</b>	9,848
	<b>340,712</b>	347,933
Elimination of inter-segment receivables	<b>(224,954)</b>	(224,954)
<b>Group assets</b>	<b>115,758</b>	122,979

	<b>30 June 2023 HK\$'000</b>	31 December 2022 HK\$'000
<b>Reportable segment liabilities</b>		
– Jewellery Products	<b>10,992</b>	10,660
– IT Products and Services	<b>232,296</b>	232,342
– Others	<b>718</b>	2,854
	<b>244,006</b>	245,856
Elimination of inter-segment payables	<b>(224,954)</b>	(224,954)
<b>Group liabilities</b>	<b>19,052</b>	20,902

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

	<b>Revenue from external customers</b>		<b>Non-current assets</b>	
	<b>Six months ended</b>		<b>30 June</b>	31 December
	<b>30 June</b>			
	<b>2023</b>	2022	<b>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000	<b>HK\$'000</b>	HK\$'000
Hong Kong	<b>3,248</b>	3,408	<b>25</b>	315
PRC and Taiwan	<b>2,152</b>	2,101	<b>4,527</b>	3,006
South East Asia	<b>1,065</b>	2,809	<b>28</b>	51
	<b>6,465</b>	8,318	<b>4,577</b>	3,372

## 5. LOSS BEFORE INCOME TAX

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

	Three months ended 30 June		Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Depreciation of property, plant and equipment	(210)	(203)	(450)	(408)
Interest income	20	4	20	4

## 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 30 June		Six months ended 30 June	
	2023 HK\$'000	2022 HK\$'000	2023 HK\$'000	2022 HK\$'000
Current tax – Overseas				
Tax for the period	–	51	–	51
<b>Total income tax expense</b>	<b>–</b>	<b>51</b>	<b>–</b>	<b>51</b>

## 7. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2023 (six months ended 30 June 2022: Nil).

## 8. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the six months ended 30 June 2023 is based on the loss attributable to owners of the Company of HK\$5,691,000 (2022: loss of HK\$5,139,000) and the weighted average number of ordinary shares of 1,947,690,000 (2022: 1,949,690,000) in issue during the period.

Diluted loss per share for the six months ended 30 June 2023 and 2022 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 2023, the Group has acquired property, plant and equipment of HK\$2,217,000 (six months ended 30 June 2022: HK\$31,000).

## 10. TRADE RECEIVABLES

	<b>30 June 2023 HK\$'000</b>	31 December 2022 HK\$'000
Trade receivables	<b>638</b>	1,687
Less: ECL allowance	<u>—</u>	<u>(162)</u>
	<b><u>638</u></b>	<b><u>1,525</u></b>

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:

	<b>30 June 2023 HK\$'000</b>	31 December 2022 HK\$'000
0 – 30 days	<b>638</b>	1,264
31 – 60 days	–	35
61 – 90 days	–	–
Over 90 days	–	226
	<b>638</b>	1,525

## 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:

	<b>30 June 2023 HK\$'000</b>	31 December 2022 HK\$'000
0 – 30 days	<b>385</b>	8
61 – 90 days	–	93
Over 90 days	–	393
	<b>385</b>	494

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

	<b>Number of shares</b>	<b>HK\$'000</b>
<b>Ordinary shares of HK\$0.1 each</b>		
<b>Authorised:</b>		
At 1 January 2022, 31 December 2022, 1 January 2023 and 30 June 2023	<u>5,000,000,000</u>	<u>500,000</u>
<b>Issued and fully paid:</b>		
At 1 January 2022 and 31 December 2022 1 January 2023 and 30 June 2023	<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 2023 was HK\$5,691,000 (2022: HK\$5,139,000).

During the six months ended 30 June 2023, the Group recorded a turnover of HK\$6,465,000 representing a decrease of approximately 22% compared with a turnover of HK\$8,318,000 for the same period of last year.

There was no revenue from sales of gold and jewellery products recorded (2022: HK\$209,000). Income from sales of enterprise software products was HK\$4,313,000, decreased by approximately 31% (2022: HK\$6,217,000). Professional service business income also dropped by approximately 44% to HK\$1,064,000 (2022: HK\$1,892,000). Revenue from other operation amounted to HK\$1,088,000 (2022: Nil).

### **Liquidity and Financial Resources**

As of 30 June 2023, the Group was in a financial position with cash and cash equivalents of HK\$20,219,000 (31 December 2022: HK\$21,353,000).

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 2023 and 31 December 2022, 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 2023.

## **Segmental Performances**

For the six months ended 30 June 2023, while the Jewellery Products business had no turnover recorded (2022: HK\$209,000), the IT Products and Services segment reported a turnover of HK\$5,377,000, representing a fall of approximately 34% (2022: HK\$8,109,000) and other revenue amounted to HK\$1,088,000 (2022: Nil).

## **Employees**

The total number of employees as of 30 June 2023 was 52 (Beginning of 2023: 55).

## **Outlook for the Second Half of 2023**

Economic growth of Mainland China for the first six months grew by 5.5%, much better than 3.0% of 2022 and 4.5% of Q1 2023. The epidemic had officially ended in Q1 2023 and had no further impacts on the economy.

Despite a good start of 2023, recovery in the second half of the year would remain challenged by hiking global interest rates, unresolved problems of leading real estate developers and also financial stresses of local government and private sectors. It was expected that policy makers would continue to seek for appropriate fiscal policies for promoting consumption and infrastructure investments.

The Group maintains a prudent but optimistic view on its business environment of the second half 2023. In terms of product segments, heritage gold jewellery products will continue to dominate the market among higher- end consumers while younger buyers with lower budget gravitate towards lighter, more affordable, trendier, and lightweight gold jewellery in modern designs. For the IT Products and Services segment, the Group will keep looking for opportunities which have synergies with its core business.

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

At 30 June 2023, 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 <i>(Note 1)</i>	804,159,697	41.29%
Mr. CHEN Yin	-	-	149,455,740 <i>(Note 2)</i>	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 2023.

## SUBSTANTIAL SHAREHOLDERS

As at 30 June 2023, 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:

<b>Name of party</b>	<b>Notes</b>	<b>Capacity in which interests are held</b>	<b>Number of issued ordinary shares held</b>	<b>Percentage of the issued share capital of the Company</b>
Ocean Expert Investments Limited	<i>Note 1</i>	Beneficial owner	804,159,697	41.29%
Ms. Li Xia	<i>Note 1</i>	Interest in a controlled corporation	804,159,697	41.29%
Flourish Zone Limited	<i>Note 2</i>	Beneficial owner	149,455,740	7.67%
Mr. CHEN Yin	<i>Note 2</i>	Interest in a controlled corporation	149,455,740	7.67%
CK Hutchison Holdings Limited	<i>Note 3</i>	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 2023.

## **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 2023.

## **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. Poon Hon Yin, Ms. Zhao Xiaxia and Ms. Na Xin, all of whom are independent non-executive Directors. Mr. Poon Hon Yin 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 2023 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. Poon Hon Yin and Ms. Na Xin, both are independent non-executive Directors, and Ms. Li Xia who is executive Director. Mr. Poon Hon Yin 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. Poon Hon Yin and Ms. Na Xin, both are independent non-executive Directors, and Ms. Li Xia who is an executive Director. Mr. Poon Hon Yin 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 2023.

## **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, 14 August 2023

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

Ms. LI Xia (*Executive Director*)  
Mr. CHONG Yu Ping (*Executive Director*)  
Mr. CHEN Yin (*Executive Director*)  
Mr. POON Hon Yin (*Independent Non-executive Director*)  
Ms. ZHAO Xiaxia (*Independent Non-executive Director*)  
Ms. NA Xin (*Independent Non-executive Director*)