



**Yu Tak International Holdings Limited**

**御德國際控股有限公司**

(Incorporated in Bermuda with limited liability)  
Stock Code : 8048

**2020**

**INTERIM REPORT**

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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 2020 (“Financial Statements”), together with the comparative figures for the corresponding periods in 2019, as follows:

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

FOR THE THREE AND SIX MONTHS ENDED 30 JUNE 2020

	Notes	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
<b>Revenue</b>	2	<b>10,996</b>	23,028	<b>21,352</b>	44,665
Other income		<b>668</b>	35	<b>668</b>	35
Change in inventories		—	304	—	(751)
Purchase of goods		—	(7,446)	—	(9,111)
Professional fees		<b>(5,788)</b>	(3,046)	<b>(11,503)</b>	(3,717)
Employee benefits expenses		<b>(6,937)</b>	(11,469)	<b>(13,144)</b>	(27,963)
Depreciation and amortisation		<b>(392)</b>	(496)	<b>(839)</b>	(954)
Other expenses		<b>(1,442)</b>	(7,012)	<b>(4,081)</b>	(12,757)
<b>Loss before income tax</b>	4	<b>(2,895)</b>	(6,102)	<b>(7,547)</b>	(10,553)
Income tax expense	5	—	(4)	<b>(13)</b>	(7)
<b>Loss for the period</b>		<b>(2,895)</b>	(6,106)	<b>(7,560)</b>	(10,560)
<b>Other comprehensive income for the period, net of tax</b>		—	—	—	—
<b>Total comprehensive expense for the period</b>		<b>(2,895)</b>	(6,106)	<b>(7,560)</b>	(10,560)

	Notes	(Unaudited) Three months ended 30 June		(Unaudited) Six months ended 30 June	
		2020	2019	2020	2019
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Loss for the period attributable to:</b>					
Owners of the Company		(2,903)	(6,081)	(7,577)	(10,517)
Non-controlling interests		<u>8</u>	<u>(25)</u>	<u>17</u>	<u>(43)</u>
		<b><u>(2,895)</u></b>	<b><u>(6,106)</u></b>	<b><u>(7,560)</u></b>	<b><u>(10,560)</u></b>
<b>Total comprehensive expense for the period attributable to:</b>					
Owners of the Company		(2,903)	(6,081)	(7,577)	(10,517)
Non-controlling interests		<u>8</u>	<u>(25)</u>	<u>17</u>	<u>(43)</u>
		<b><u>(2,895)</u></b>	<b><u>(6,106)</u></b>	<b><u>(7,560)</u></b>	<b><u>(10,560)</u></b>
<b>Loss per share</b>					
– Basic and diluted (in HK cents)	7	<b><u>(0.15)</u></b>	<b><u>(0.33)</u></b>	<b><u>(0.39)</u></b>	<b><u>(0.58)</u></b>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2020

		(Unaudited) 30 June 2020 HK\$'000	(Audited) 31 December 2019 HK\$'000
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	8	3,407	3,313
Right-of-use assets		233	644
Financial assets		18,593	18,593
		<b>22,233</b>	22,550
<b>Current assets</b>			
Inventories		54,169	55,026
Contract assets		7,088	6,141
Trade receivables	9	6,765	5,323
Other receivables, deposits and prepayments		23,674	26,170
Cash and bank balances		19,248	25,994
		<b>110,944</b>	118,654

		(Unaudited) 30 June 2020 HK\$'000	(Audited) 31 December 2019 HK\$'000
	Notes		
<b>Current liabilities</b>			
Trade payables	10	669	1,076
Other payables and accrued charges		5,468	6,051
Contract liabilities		5,081	6,763
Amounts due to directors		12,363	9,682
Lease liabilities		87	461
Tax payable		—	58
		<u>23,668</u>	<u>24,091</u>
<b>Net current assets</b>		<u>87,276</u>	<u>94,563</u>
<b>Total assets less current liabilities</b>		<u>109,509</u>	<u>117,113</u>
<b>Non-current liabilities</b>			
Lease liabilities		<u>153</u>	<u>197</u>
<b>Net assets</b>		<u>109,356</u>	<u>116,916</u>
<b>EQUITY</b>			
Share capital	11	194,769	194,769
Reserves		<u>(84,074)</u>	<u>(76,497)</u>
<b>Equity attributable to owners of the Company</b>		<u>110,695</u>	<u>118,272</u>
<b>Non-controlling interests</b>		<u>(1,339)</u>	<u>(1,356)</u>
<b>Total equity</b>		<u>109,356</u>	<u>116,916</u>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	Equity attributable to owners of the Company								Total equity 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	Total HK\$'000	Non-controlling interests HK\$'000	
At 1 January 2019	178,269	217,968	(6,361)	(276)	11,926	(291,626)	109,900	(1,322)	108,578
Loss for the year	-	-	-	-	-	(14,680)	(14,680)	(34)	(14,714)
Other comprehensive income	-	-	(693)	-	6,667	-	5,974	-	5,974
Total comprehensive expense for the year	-	-	(693)	-	6,667	(14,680)	(8,706)	(34)	8,740
Issue of ordinary shares	16,500	564	-	-	-	-	17,064	-	17,064
Acquisition of additional interest of a subsidiary	-	-	-	14	-	-	14	-	14
<b>At 31 December 2019 &amp; 1 January 2020</b>	<b>194,769</b>	<b>218,532</b>	<b>(7,054)</b>	<b>(262)</b>	<b>18,593</b>	<b>(306,306)</b>	<b>118,272</b>	<b>(1,356)</b>	<b>116,916</b>
Loss for the period	-	-	-	-	-	(7,577)	(7,577)	17	(7,560)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive expense for the period	-	-	-	-	-	(7,577)	(7,577)	17	(7,560)
<b>At 30 June 2020</b>	<b>194,769</b>	<b>218,532</b>	<b>(7,054)</b>	<b>(262)</b>	<b>18,593</b>	<b>(313,883)</b>	<b>110,695</b>	<b>(1,339)</b>	<b>109,356</b>

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

	(Unaudited)	
	Six months ended 30 June	
	2020	2019
	HK\$'000	HK\$'000
<b>Cash flows from operating activities</b>		
Loss before income tax	(7,547)	(10,553)
Adjustments for non-cash items and net changes in working capital	1,734	(682)
<b>Net cash flows used in operating activities</b>	<b>1,734</b>	<b>(11,235)</b>
<b>Cash flows from investing activities</b>		
Additions of property, plant and equipment	(933)	(30)
<b>Net cash used in investing activities</b>	<b>(933)</b>	<b>(30)</b>
<b>Cash flows from financing activities</b>		
Net proceed from issue of ordinary shares	–	16,970
<b>Net cash flows from financing activities</b>	<b>–</b>	<b>16,970</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(6,746)</b>	<b>5,705</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>25,994</b>	<b>27,131</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>19,248</b>	<b>32,836</b>



# NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2020

## 1. BASIS OF PREPARATION

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the accounting principles generally accepted in Hong Kong. The condensed consolidated financial statements also comply with the applicable disclosure requirements of the Hong Kong Company Ordinance and include the applicable disclosure requirements of Rules Governing the Listing of securities on the GEM of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”).

The accounting policies used in the condensed consolidated financial statements for the six months ended 30 June 2020 are the same as those followed in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2019 except for the changes mentioned below.

With effect from 1 January 2020, the Group has adopted the below amendments which are relevant to the Group’s condensed consolidated financial statements:–

Amendments to HKFRS 3	Definition of a Business
Amendments to HKAS 1 and HKAS 8	Definition of Material
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform

The Group has assessed the impact of the adoption of the above amendments and considered that there was no significant impact on the Group’s results and financial position or any substantial changes in the Group’s accounting policies.

The Group has not applied any new standards or interpretation that is not yet effective for the current accounting period.

The comparative financial information relating to the financial year ended 31 December 2019 does not constitute the Company's statutory annual financial statements for that financial year but is derived from those financial statements.

## 2. REVENUE

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

	Three months ended		Six months ended	
	30 June		30 June	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Sales of gold and jewellery products	–	6,234	–	9,821
Enterprise software products	<b>2,778</b>	6,675	<b>6,612</b>	12,619
Professional services	<b>8,218</b>	8,151	<b>14,740</b>	20,257
Systems integration	–	1,968	–	1,968
<b>Total revenue</b>	<b>10,996</b>	23,028	<b>21,352</b>	44,665

## 3. 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 2020			
	Jewellery Products HK\$'000	IT Products and Services HK\$'000	Total HK\$'000
<b>Revenue</b>			
– From external customers	–	21,352	21,352
<b>Reportable segment revenue</b>	<b>–</b>	<b>21,352</b>	<b>21,352</b>
<b>Reportable segment loss before income tax</b>	<b>(6,953)</b>	<b>(594)</b>	<b>(7,547)</b>
Depreciation and amortization	(478)	(361)	(839)

Six months ended 30 June 2019			
	Jewellery Products HK\$'000	IT Products and Services HK\$'000	Total HK\$'000
Revenue			
– From external customers	9,821	34,844	44,665
Reportable segment revenue	9,821	34,844	44,665
Reportable segment (loss)/profit before income tax	(10,570)	17	(10,553)
Depreciation and amortization	(902)	(52)	(954)

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>30 June 2020 HK\$'000</b>	<b>31 December 2019 HK\$'000</b>
<b>Reportable segment assets</b>		
– Jewellery Products	<b>298,403</b>	304,046
– IT Products and Services	<b>59,728</b>	62,112
	<b>358,131</b>	366,158
Elimination of inter-segment receivables	<b>(224,954)</b>	(224,954)
<b>Group assets</b>	<b>133,177</b>	141,204
	<b>30 June 2020 HK\$'000</b>	<b>31 December 2019 HK\$'000</b>
<b>Reportable segment liabilities</b>		
– Jewellery Products	<b>14,861</b>	13,550
– IT Products and Services	<b>233,914</b>	235,692
	<b>248,775</b>	249,242
Elimination of inter-segment payables	<b>(224,954)</b>	(224,954)
<b>Group liabilities</b>	<b>23,821</b>	24,288

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		31 December	
	30 June		30 June	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	3,351	3,209	2,161	2,694
PRC and Taiwan	16,998	39,677	1,242	979
South East Asia	1,003	1,779	237	284
	<u>21,352</u>	<u>44,665</u>	<u>3,640</u>	<u>3,957</u>

#### 4. LOSS BEFORE INCOME TAX

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

	Three months ended		Six months ended	
	30 June		30 June	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	(392)	(496)	(839)	(954)
Interest income	<u>12</u>	<u>2</u>	<u>12</u>	<u>2</u>

## 5. 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	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000
Current tax				
– Overseas				
Tax for the period	–	4	13	7
<b>Total income tax expense</b>	<b>–</b>	<b>4</b>	<b>13</b>	<b>7</b>

## 6. INTERIM DIVIDEND

The Directors do not recommend the payment of an interim dividend for the six months ended 30 June 2020 (six months ended 30 June 2019: Nil).

## 7. LOSS PER SHARE

The calculation of the basic and diluted loss per share for the six months ended 30 June 2020 is based on the loss attributable to owners of the Company of HK\$7,577,000 (2019: loss of HK\$10,517,000) and the weighted average number of ordinary shares of 1,947,690,000 (2019: 1,820,065,691) in issue during the period.

Diluted loss per share for the six months ended 30 June 2020 and 2019 is the same as the basic loss per share as there is no potential dilutive ordinary share in issue during the periods.

## 8. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2020, the Group spent HK\$933,000 (six months ended 30 June 2019: HK\$30,000) on additions of property, plant and equipment.

## 9. TRADE RECEIVABLES

	<b>30 June 2020 HK\$'000</b>	<b>31 December 2019 HK\$'000</b>
Trade receivables	<b>6,765</b>	5,323
Less: allowance for doubtful debts	<b>—</b>	—
	<b>6,765</b>	5,323

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 2020 HK\$'000</b>	31 December 2019 HK\$'000
0 – 30 days	<b>1,632</b>	2,212
31 – 60 days	<b>550</b>	27
61 – 90 days	<b>1,713</b>	2,906
Over 90 days	<b>2,870</b>	178
	<b>6,765</b>	5,323



## 10. 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 2020 HK\$'000</b>	<b>31 December 2019 HK\$'000</b>
0 – 30 days	<b>604</b>	1,043
Over 90 days	<b>65</b>	33
	<b>669</b>	1,076

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

## 11. 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 2019, 31 December 2019, 1 January 2020 and 30 June 2020	<u>5,000,000,000</u>	<u>500,000</u>
<b>Issued and fully paid:</b>		
<b>At 1 January 2020 and 30 June 2020</b>	<b><u>1,947,690,000</u></b>	<b><u>194,769</u></b>
At 1 January 2019	1,782,690,000	178,269
Ordinary shares issued by placement	<u>165,000,000</u>	<u>16,500</u>
At 31 December 2019	<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 2020 was HK\$7,577,000, comparing with a loss of HK\$10,517,000 in the same period of 2019.

During the six months ended 30 June 2020, the Group recorded a turnover of HK\$21,352,000, representing a decrease of approximately 52% compared with a turnover of HK\$44,665,000 in the same period of last year.

Income from IT products and Services segment represented 100% of turnover of the period where sales of enterprise software products decreased by approximately 48% to HK\$6,612,000 (2019: HK\$12,619,000). Professional service business decreased by approximately 27% to HK\$14,740,000 (2019: HK\$20,257,000). System Integration had no turnover for the period (2019: HK\$1,968,000).

### **Liquidity and Financial Resources**

As of 30 June 2020, the Group was in a financial position with cash and cash equivalents of HK\$19,248,000 (31 December 2019: HK\$25,994,000).

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 2020 and 31 December 2019, cash and cash equivalents exceeded debt, therefore the gearing ratio of the Group was zero.

### **Capital Structure**

Subsequent to the placement of 165,000,000 new ordinary shares at HK\$0.105 per share on 21 May 2019 under the general mandate granted in the annual general meeting of 4 June 2018, the number of issued ordinary shares of the Company increased to 1,947,690,000 and remained unchanged throughout the period ended 30 June 2020.

## Segmental Performances

For the six months ended 30 June 2020, while the Jewellery Products business had no turnover (2019: HK\$9,821,000), the IT Products and Services segment was less susceptible to Covid-19 pandemic and reported a turnover of HK\$21,352,000, representing a fall of approximately 39% as compared with the same period of last year (2019: HK\$34,844,000).

## Employees

The total number of employees as of 30 June 2020 was 95 (Beginning of 2020: 103).

## Outlook for the Second Half of 2020

Gold price per ounce started in 2020 at USD1,511, extended to USD1,583 at the end of the first quarter and closed at US\$1,781 at 30 June of 2020 that a gain of 18% was recorded.

The countrywide outbreak of Covid-19 from the beginning of 2020 had hammered all luxury product markets in China and there was no exception for the gold and jewellery market. According to the National Bureau of Statistics of China, the demand of gold and jewellery for the first five months of 2020 had dropped by 27% to 78.5 billion compared with same period of 2019.

From the start of the second half year, gold prices are seeing steep rises amid current US-China tensions and increasing cases of infections overseas. Gold price per ounce has surged to US\$1,974 at the end of July 2020 representing a further gain of over 10% in a month. Price volatility continues to suppress demand of gold and jewellery as consumers tend to wait for an easing before taking any buying decisions.

The Group remains cautiously optimistic of the recovery of domestic jewellery market in the second half year. In respect of market trend, shifting demand from traditional 24K jewellery towards fashionable products with less gold content but higher margins to retailers continues to drive the structural change in the jewellery market. The Group will keep tracking the market carefully and make adjustments to its business strategies where necessary.

For the IT Products and Services segment, the Group will keep looking for business 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 2020, 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 of Hong Kong Limited (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		
Mr. CHONG Yu Ping	36,726,000	–	804,157,697 (Note 1)	840,883,697	43.17%
Ms. LI Xia	–	–	804,157,697 (Note 1)	804,157,697	41.29%
Mr. CHEN Yin	–	–	149,455,740 (Note 2)	149,455,740	7.67%

*Notes:*

- (1) These shares were held by Sino Eminent Limited. Sino Eminent Limited, a company incorporated in the British Virgin Islands, is owned as to 25% by Ocean Expert Investments Limited and 75% by Shenzhen Yihua Jewelry Co., Ltd ("Shenzhen Yihua"), a company incorporated in the PRC which is held as to approximately 75% by Mr. Chong Yu Ping. Accordingly, Mr. Chong Yu Ping is deemed to be interested in 804,157,697 shares held by Sino Eminent Limited by virtue of Sino Eminent Limited being controlled by Mr. Chong Yu Ping through his shareholding in Shenzhen Yihua. Ocean Expert Investments Limited is a limited company incorporated in the British Virgin Islands which is wholly owned by Ms. Li Xia. Ms. Li Xia is deemed to be interested in 804,157,697 shares held by Sino Eminent Limited by virtue of Sino Eminent Limited being controlled by Ms. Li Xia through her shareholding in Ocean Expert Investments Limited and through her acting as the sole director of Sino Eminent Limited.
- (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 2020.

## **SUBSTANTIAL SHAREHOLDERS**

As at 30 June 2020, 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>
Sino Eminent Limited	<i>Note 1</i>	Beneficial owner	804,157,697	41.29%
Shenzhen Yihua	<i>Note 1</i>	Interest in a controlled corporation	804,157,697	41.29%
Ocean Expert Investments Limited	<i>Note 1</i>	Interest in a controlled corporation	804,157,697	41.29%
Ms. Li Xia	<i>Note 1</i>	Interest in a controlled corporation	804,157,697	41.29%
Mr. CHONG Yu Ping	<i>Note 1</i>	Interest in a controlled corporation & Beneficial owner	840,883,697	43.17%
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) Sino Eminent Limited is a company incorporated in the British Virgin Islands, is owned as to 25% by Ocean Expert Investments Limited and 75% by Shenzhen Yihua, a company incorporated in the PRC which is held as to approximately 75% by Mr. Chong Yu Ping.

Accordingly, Mr. Chong Yu Ping is deemed to be interested in 804,157,697 shares held by Sino Eminent Limited by virtue of Sino Eminent Limited being controlled by Mr. Chong Yu Ping through his shareholding in Shenzhen Yihua. Besides, Mr. Chong Yu Ping has beneficial interest in another 35,482,000 Shares.

Ocean Expert Investments Limited is a limited company incorporated in the British Virgin Islands which is wholly owned by Ms. Li Xia. Ms. Li Xia is deemed to be interested in 804,157,697 shares held by Sino Eminent Limited by virtue of Sino Eminent Limited being controlled by Ms. Li Xia through her shareholding in Ocean Expert Investments Limited and through her acting as the sole director of Sino Eminent Limited.

- (2) Flourish Zone Limited is a company incorporated in the British Virgin Islands and wholly-owned by Mr. Chen Yin. Accordingly, Mr. Chen Yin is deemed to be interested in the 149,455,740 shares interested by Flourish Zone Limited.
- (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 2020.

## **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 2020.

## **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 2020 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 2020.

## **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**  
**CHONG Yu Ping**  
*Chairman*

Hong Kong, 14 August 2020

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

Mr. CHONG Yu Ping (*Executive Director*)  
Ms. LI Xia (*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*)