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*This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any Shares in the Company.*

## **YU TAK INTERNATIONAL HOLDINGS LIMITED** **御德國際控股有限公司**

*(formerly known as Hong Kong Jewellery Holding Limited)*

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 08048)**

### **DISCLOSEABLE TRANSACTION – DISPOSAL OF SUBSIDIARY**

#### **DISPOSAL OF SUBSIDIARY**

On 18 January 2017, the Vendor, a wholly-owned subsidiary of the Company and the Purchaser entered into the Agreement pursuant to which the Vendor has agreed to sell, and the Purchaser has agreed to purchase, the Sale Share, which represents 65% of the entire issued share capital of the Disposal Target, an indirect partially owned subsidiary of the Company, at a cash consideration of HK\$2,000,000.

#### **IMPLICATION UNDER THE GEM LISTING RULES**

As certain applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules

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The principal terms of the Agreement are set out below:

### **Date**

18 January 2017

### **Parties**

- (i) the Vendor; and
- (ii) the Purchaser;

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

### **Subject matter**

On and subject to the terms and conditions contained in the Agreement, the Vendor agrees to sell and the Purchaser agrees to purchase the Sale Share, representing 65% of the issued share capital of the Disposal Target, with all the benefits thereof together with all rights attached thereto free from all encumbrances and third party rights.

The Agreement does not contain any restrictions which apply to the subsequent sale of the Sale Share.

### **Consideration**

The Consideration of HK\$2,000,000 was determined after arm's length negotiations between the Company and the Purchaser with reference to the net liability value of the Disposal Target as at 30 November 2016, which amounted to approximately HK\$11,018,000 (equivalent to approximately RMB9,417,000).

Taking into account the financial situation of the Disposal Target, the Directors consider that the Consideration is fair and reasonable.

### **Conditions**

Completion of the Disposal is conditional upon the fulfillment of, amongst others, the following conditions:

- (a) the Vendor and Purchaser having duly signed the Agreement; and
- (b) the Purchaser having completed the approval or authorisation procedures in respect of the Disposal in accordance with the relevant laws and its articles of association.

## Completion

Completion shall take place within 3 months after signing of the Agreement.

Upon Completion, the Vendor will no longer hold any equity interest in the Subsidiary and the Subsidiary will cease to be a subsidiary of the Company.

## INFORMATION OF THE SUBSIDIARY

The Disposal Target is a company incorporated in PRC with limited liability. The principal business activity of the Subsidiary is systems integration, development of computer software and provision of maintenance services.

The audited financial information of the Disposal Target for the two years ended 31 December 2014 and 31 December 2015 and the unaudited financial information for the period ended 30 November 2016 as follows:

	<b>Audited</b>		<b>Unaudited</b>
	<b>Year ended</b>	<b>Year ended</b>	<b>Period ended</b>
	<b>31 December 2014</b>	<b>31 December 2015</b>	<b>30 November 2016</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>	<i>(RMB'000)</i>
Turnover	220,226	20,329	14,712
Profit/(Loss) before tax	395	(13,121)	(12,628)
Profit/(Loss) after tax	209	(14,137)	(12,754)
Net asset/(liability)	17,474	3,337	(9,417)

## FINANCIAL EFFECT OF THE DISPOSAL

It is estimated that, as a result of the Disposal, the Company will recognize a gain of approximately HK\$9,162,000 (unaudited and subject to further adjustments which may be arising in the course of the audit of the year of 2016) having taken into account of the Consideration and net liability value of the Disposal Target and other costs. The proceeds generated from the Disposal will be applied as general working capital of the Group.

## REASONS AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company. The Group is principally engaged in (i) the design and sales of gold and jewellery products; (ii) the development, sales and implementation of enterprise software; (iii) the provision of systems integration, professional services and application service provider services; and (iv) investment holding.

In view of the loss-making records of the Disposal Target for the year ended 31 December 2015 and for the period ended 30 November 2016, the Directors consider that the Disposal enables the Group to maintain the potential turnaround of the Vendor upon Completion while lowering the working capital required on the part of the Company for the business operation of the Vendor. Together with the cash inflow to be brought to the Vendor by the Agreement, the Directors believe that the Agreement would strengthen the financial position of the Group and enhance Shareholders' values. The net proceeds from the Agreement are expected to be approximately HK\$2,000,000 and will be applied for the general working capital of the Group.

## **THE TERMS OF THE AGREEMENT WERE DETERMINED AFTER ARM'S LENGTH NEGOTIATIONS BETWEEN THE PARTIES THERETO**

The Directors (including the independent non-executive directors) are of the view that the terms of the Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Director has a material interest in the Disposal and was required to abstain from voting at the meeting of the Board approving the Agreement and the transactions contemplated thereunder.

## **IMPLICATION UNDER THE GEM LISTING RULES**

As certain applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but all of them are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

## **DEFINITIONS**

In this announcement, the following expressions have the following meanings:

“Agreement”	the share transfer agreement dated 18 January 2017 entered into between the Vendor and the Purchaser for the sale and purchase of the Sale Shares
“Board”	the board of Directors
“Company”	Yu Tak International Holdings Limited (御德國際控股有限公司), a company incorporated in the Bermuda with limited liability, the issued shares of which are listed on the GEM
“Completion”	the completion of the Disposal in accordance with the terms of the Agreement

“Completion Date”	Completion shall take place within 3 months after signing of the Agreement
“Condition(s)”	the condition(s) precedent to the Completion listed in the subparagraph headed “Conditions” above
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	HK\$2,000,000, being the cash consideration for the Sale Share
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share by the Vendor to the Purchaser as contemplated under the Agreement
“Disposal Target”	北京志鴻英華科技有限公司 (Excel System (Beijing) Limited*), a company incorporated in PRC with limited liability
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected person(s)
“PRC”	the People’s Republic of China and for the purpose of this announcement, exclude Hong Kong, Taiwan and Macau Special Administrative Region of the PRC
“Purchaser”	LIU JIA (劉佳)
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Share”	representing 65% of the share equity of the Disposal Target
“Shareholder(s)”	holder(s) of the share(s) in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor”	EXCEL CHINA INVESTMENT (BVI) LIMITED (志鴻中國投資有限公司), a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“%”	per cent

By Order of the Board of  
**Yu Tak International Holdings Limited**  
**CHONG Yu Ping**  
*Chairman*

Hong Kong, 18 January 2017

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Chong Yu Ping, Ms. Li Xia and Mr. Chen Yin and three independent non-executive Directors, namely, Mr. Lam Tin Faat, Ms. Lu Haina and Ms. Na Xin.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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:– (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the GEM website at <http://www.hkgem.com> on the “Latest Company Announcement” 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](http://www.hkjewelry.net).*

*\* For identification purposes only*