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

(Incorporated in Bermuda with limited liability)

(Stock Code: 08048)

PLACING OF NEW SHARE UNDER GENERAL MANDATE

Placing Agent



ASA SECURITIES LIMITED

PLACING OF NEW SHARES

On 7 September 2017, the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent agreed to place, on a best effort basis, to not less than six (6) independent Placées for up to 237,692,000 new Shares at a price of HK\$0.085 per Placing Share.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

The Placing Price of HK\$0.085 per Placing Share represents (i) a discount of approximately 18.27% to the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 18.43% to the average of the closing prices per Share of HK\$0.1042 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The maximum number of 237,692,000 Placing Shares represents approximately 20% of the entire issued share capital of the Company of 1,188,460,000 Shares as at the date of this announcement and approximately 16.7% of the Company's entire issued share capital as enlarged by the Placing Shares. The net proceeds from the Placing of approximately HK\$19,800,000 (assuming the Placing Shares are fully placed and after all relevant expenses) will be used as the general working capital of the Group.

As the Placing Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

7 September 2017

Parties

- (a) the Company; and
- (b) the Placing Agent

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Placees

The Placing Shares will be placed to not less than six Placees and their ultimate beneficial owners will be Independent Third Parties.

Number of Placing Shares

Up to 237,692,000 new Shares will be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 20% of the entire issued share capital of the Company of 1,188,460,000 Shares as at the date of this announcement and approximately 16.7% of the Company's entire issued share capital as enlarged by the Placing Shares. The nominal value of the Placing Shares is HK\$23,769,200.

Placing Price

HK\$0.085 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:

- (i) a discount of approximately 18.27% to the closing price of HK\$0.104 per Share as quoted on the Stock Exchange on 7 September 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 18.43% to the average closing price of approximately HK\$0.1042 per Share as quoted on the Stock Exchange for the last 5 full trading days of the Shares immediately prior to the date of the Placing Agreement.

Placing Commission

The Placing Agent will receive a placing commission of approximately 0.9% on the gross proceeds of the Placing.

General Mandate

The Placing Shares will be issued pursuant to the general mandate to allot, issue and deal with the Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 22 May 2017 of up to 237,692,000 Shares.

As at the date of this announcement, no Share has been issued pursuant to the said general mandate.

Ranking of Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue and allotment of the Placing Shares.

Condition Precedent

The Placing and the obligations of the Placing Agent under the Placing Agreement are conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in the Placing Shares. Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares. The Placing is not subject to Shareholders' approval.

Completion

Completion shall take place as soon as possible following the satisfaction of the condition set out above and in any event not later than three business days immediately following the satisfaction of the condition (or such other date to be agreed by the parties) and at the principal place of business of the Company in Hong Kong.

If the condition precedent of the Placing is not fulfilled on or before the Long Stop Date, the Placing Agreement shall cease and lapse and neither the Placing Agent nor the Company will have any claim against the other for costs, damages, compensation or otherwise except for any antecedent breach of the Placing Agreement.

Termination of the Placing Agreement

The Placing Agent may terminate the Placing Agreement prior to completion of the Placing Agreement if in the opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:

- (a) any material breach of any of the representations, warranties or undertakings set out in the Placing Agreement; or
- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 trading days (other than in connection with the Placing and any announcement of the Company); or
- (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (d) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (f) a change or development involving a prospective change in taxation in Hong Kong, Bermuda, British Virgin Islands or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group; or
- (g) any significant change or deterioration in the conditions of local, national or international securities markets.

As the Placing Agreement may or may not complete, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR ENTERING INTO THE PLACING AGREEMENT AND USE OF PROCEEDS

The Company is an investment holding company and its subsidiaries are principally engaged in jewellery business and IT products and services.

The Directors considered various ways of raising funds and believe that the Placing represents an opportunity to raise capital for the Company while broadening the Shareholder base and capital base of the Company. Assuming all the Placing Shares are successfully placed by the Placing Agent, the gross proceeds from the Placing will be approximately HK\$20,203,820. The net proceeds, after deducting the placing commission and other related expenses, will be approximately HK\$19,800,000, representing a net issue price of approximately HK\$0.083 per Placing Share. The net proceeds will be used as the general working capital of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

FUND RAISING ACTIVITIES DURING THE PAST TWELVE MONTHS

The Company does not have any equity fund raising activities for the 12 months immediately before the date of this announcement.

EFFECT ON SHAREHOLDING

For illustration purpose, the shareholding structures of the Company as at the date of this announcement and immediately after completion of the Placing are and will be as follows:–

	As at the date of this announcement		Immediately after completion of the Placing	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Sino Eminent Limited (<i>Note 1</i>)	312,606,140	26.30	312,606,140	21.92
Confluence Holdings Limited (<i>Note 2</i>)	91,034,166	7.66	91,034,166	6.38
CK Hutchison Holdings Limited (<i>Note 3</i>)	143,233,151	12.05	143,233,151	10.04
Flourish Zone Limited (<i>Note 4</i>)	110,303,827	9.28	110,303,827	7.73
Other Public Shareholders				
- Placees	-	-	237,692,000	16.67
- Others	531,282,716	44.70	531,282,716	37.25
Total	<u>1,188,460,000</u>	<u>100.0</u>	<u>1,426,152,000</u>	<u>100.0</u>

Note:

1. Sino Eminent Limited (“**Sino Eminent**”) is owned as to 25% by Ocean Expert Investments Limited (“**Ocean Expert**”) and 75% by Shenzhen Yihua Jewelry Co., Ltd (“**Shenzhen Yihua**”), which is held as to 80% by Mr. Chong Yu Ping. Mr. Chong Yu Ping is deemed to be interested in 312,606,140 shares held by Sino Eminent by virtue of Sino Eminent being controlled by Mr. Chong Yu Ping through his shareholding in Shenzhen Yihua. Ocean Expert Investments Limited is wholly owned by Ms. Li Xia. Ms. Li Xia is deemed to be interested in 312,606,140 shares held by Sino Eminent by virtue of Sino Eminent being controlled by Ms. Li Xia through her shareholding in Ocean Expert and through her acting as the sole director of Sino Eminent.
2. Confluence Holdings Limited (“**Confluence Holdings**”) is wholly-owned by Mr. Lin Di. Mr. Lin Di is deemed to be interested in the 91,034,166 shares interested by Confluence Holdings.
3. CK Hutchison Holdings Limited (“**CK Hutchison**”) is entitled to exercise or control the exercise of one-third of more of the voting power at the general meetings of Alps Mountain Agent Limited (“**Alps**”) and iBusiness Corporation Limited (“**iBusiness**”). CK Hutchison is deemed to be interested in 143,233,151 shares of the Company of which 71,969,151 shares are held by Alps and 67,264,000 shares are held by iBusiness under the SFO.
4. Flourish Zone Limited is wholly-owned by Mr. Chen Yin. Accordingly, Mr. Chen Yin is deemed to be interested in the 110,303,827 shares interested by Flourish Zone Limited.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings, unless the context requires otherwise:

“associate”	has the meaning ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong are generally open for the transaction of normal business
“Company”	Yu Tak International Holdings Limited, a company incorporated in the Bermuda with limited liability, the issued shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited

“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	parties which are not connected persons of the Company (as defined in the GEM Listing Rules) and are independent of the Company and its connected persons
“Long Stop Date”	being 22 September 2017 (or such other time and date as the Placing Agent and the Company shall agree in writing)
“Placees”	any individual, institutional or other professional investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	ASA Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the Placing Agreement dated 7 September 2017 entered into between the Placing Agent and the Company in relation to Placing
“Placing Price”	HK\$0.085 per Placing Share
“Placing Shares”	a maximum of 237,692,000 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 7 September 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.