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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)

SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT OF THE COMPANY
FOR THE YEAR ENDED 31 DECEMBER 2017

Reference is made to the annual report of Yu Tak International Holdings Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) for the year ended 31 December 2017 published by the Company on 29 March 2018 (the “**Annual Report**”). Unless otherwise specified, capitalised terms used herein shall have the same meaning as those defined in the Annual Report.

Further to the information disclosed in the Annual Report, the Company wishes to provide the shareholders of the Company and the potential investors with the supplemental information regarding the impairment loss on other receivables recorded by the Company for the year ended 31 December 2017 of approximately HK\$10.5 million (the “**Impairment**”) as disclosed in Note 9 of the Notes to the Consolidated Financial Statements in the Annual Report.

IMPAIRMENT LOSS ON OTHER RECEIVABLES

The principal part of the Impairment relates to the impairment loss recognised on the outstanding balance of amount due from Excel System (Beijing) Limited* (北京志鴻英華科技有限公司) (the “**Excel BJ**”), a former subsidiary of the Group, of approximately HK\$10.2 million as at 31 December 2017 (the “**Outstanding Amount**”) and it was identified by the Company since the end of December 2017.

Pursuant to a disposal agreement dated 18 January 2017, the Company disposed 65% of the entire issued share capital of Excel BJ (the “**Agreement**”, details of the Agreement are set out in the announcement of the Company dated 18 January 2017). As at the date of the Agreement, there was outstanding balance due from Excel BJ to the Group. Accordingly, it is one of the conditions of the Agreement that the purchaser (as referred in the Agreement, the “**Purchaser**”) shall repay the outstanding balance within three years period.

Where there were express contractual terms allowing the Company to claim the Outstanding Amount, the Company had (i) made verbal demands for repayment and negotiated with Excel BJ and the Purchaser quarterly, nevertheless, the results were not positive and there was no agreement been made in relation to the settlement date nor repayment schedule of the Outstanding Amount; and (ii) sent confirmation to Excel BJ for the Outstanding Amount but without positive results.

Due to the triggering events mentioned above, the Directors have assessed the recoverability of the Outstanding Amount, and determined that the amount is not expected to be recoverable prior to the approval from the board of directors of the Company on the audited consolidated financial statements of the Group for the year ended 31 December 2017 on 15 March 2018. Having considered the recoverability of the relevant receivables is likely to be remote, provision for impairment loss of HK\$10.2 million was made against the Outstanding Amount.

The above shown clearly that the Impairment was due to an unforeseen situation following the disposal of Excel BJ in January 2017. These changes were happened after the Agreement and such circumstances were not anticipated at the time of the disposal contemplated under the Agreement.

The Company is in the course of seeking legal advice in relation to the Outstanding Amount with a view to recover the relevant amount. The Company will keep its shareholders and potential investors informed of any further significant development when appropriate.

The above additional information does not affect other information contained in the Annual Report, and save as disclosed in this announcement, the remaining contents of the Annual Report remain unchanged.

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

Hong Kong, 31 July 2018

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. Na Xin and Ms. Zhao Xiaxia.

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 in 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 the Company’s website at www.hkjewelry.net.

** English name of such entity is the transliteration of its Chinese name for reference only.*