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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)

DISCLOSABLE TRANSACTION
FORMATION OF JOINT VENTURE IN PRC

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The Board is pleased to announce that on 2 August 2018 (after trading hours), Golden HK Jewellery, an indirectly wholly-owned subsidiary of the Company, and the JV Partner entered into the JV Agreement, pursuant to which the parties agreed to jointly establish the JV Company in PRC, for the purpose of developing the business in the wholesaling and retailing of gold, platinum, diamond, karat gold, jade and jewellery products in PRC.

Pursuant to the JV Agreement, the registered capital of the JV Company will be RMB13,000,000 (equivalent to approximately HK\$15,000,000). Golden HK Jewellery will contribute RMB12,350,000 (equivalent to approximately HK\$14,252,000) in cash, and the JV Partner will contribute the remaining RMB650,000 (equivalent to approximately HK\$750,000) in cash towards the registered capital of the JV Company. The JV Company will be owned as to 95% by Golden HK Jewellery and as to 5% by the JV Partner.

IMPLICATION UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios exceed 5% and all of the percentage ratios are below 25%, the investment in the JV Company pursuant to the JV Agreement constitutes a disclosable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board is pleased to announce that on 2 August 2018 (after trading hours), Golden HK Jewellery, an indirectly wholly-owned subsidiary of the Company, and the JV Partner entered into the JV Agreement, pursuant to which the parties agreed to jointly establish the JV Company in the city of Shenzhen of Guangdong Province, the PRC, for the purpose of developing the business in the wholesaling and retailing of gold, platinum, diamond, karat gold, jade and jewellery products.

THE JV AGREEMENT

The principal terms of the JV Agreement are set out below:–

Date: 2 August 2018

Parties: 1. Golden HK Jewellery
2. JV Partner

To the best of the Directors' knowledge, information and belief and after making reasonable enquiries, the JV Partner is a third party independent of the Company and its Connected Person.

Subject Matter

The JV Company will be a limited liability company to be established in accordance with the laws of the PRC and the provisions of the JV Agreement.

Subject to the final approval from the relevant departments of the administration for industry and commerce, the proposed name of the JV Company is 深圳御德珠寶有限公司 (Shenzhen Yu Tak Jewellery Co., Ltd.*).

The term of the JV Company shall be ten (10) years from the date of issue of the business licence of the JV Company, where such period may be extended subject to the unanimous consent of the JV Parties and approval by the relevant PRC authorities.

Purpose of the JV Company

The principal objectives of the JV Company are the development of the business in the wholesaling and retailing of gold, platinum, diamond, karat gold, jade and jewellery products in PRC.

Capital Contribution

Pursuant to the JV Agreement, the registered capital of the JV Company shall be RMB13,000,000 (equivalent to approximately HK\$15,000,000). Golden HK Jewellery and the JV Partner shall make a capital contribution of RMB12,350,000 (equivalent to approximately HK\$14,252,000) and RMB650,000 (equivalent to approximately HK\$750,000), respectively, to the registered capital of the JV Company. The JV Company will be owned as to 95% by Golden HK Jewellery and as to 5% to the JV Partner.

The whole or part of the equity interest held by the JV Partner in the JV Company shall not be transferred to any third party without the written consent of Golden HK Jewellery.

The JV Parties shall make their respective capital contribution in cash by one lump sum payment. The Group intends to finance its investment in the JV Company from its internal resources.

The amount of capital contribution was determined after arm's length negotiations between the JV Parties with reference to the initial capital requirement of the JV Company.

Composition of the Board of Directors

Pursuant to the JV Agreement, the board of directors of the JV Company will comprise of three (3) directors, two of whom will be appointed by Golden HK Jewellery. The chairman of the board of directors shall be nominated by Golden HK Jewellery.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Group is principally engaged in the business of design and sales of gold and jewellery products. The JV Partner is a PRC merchant who has solid experiences in operation and management of Jewellery Products. Upon establishment of the JV Company, the JV Parties will appoint Mr. Chen Yin (the executive Director of the Company) as the legal representative of the JV Company and Mr. Chen Jiu (Mr. Chen Yin's father) as the chief executive officer of the JV Company. Mr. Chen Jiu was the chief executive officer of Shanghai Yu Garden Gold Jewellery Group Co., Ltd.* (上海豫園黃金珠寶集團有限公司) and has about more than 30 years' management experience in the field of Jewellery products. Mr. Chen Jiu managed "Laomiao Gold" ("老廟黃金") and developed it into the first-tier brand in PRC. It is the business target of the JV Company that it will set up 280 new stores by the year of 2020. In this connection, the Board considers that the entering into of the JV Agreement and the operation of the JV Company aligns with the Group's strategic plans and provides a valuable opportunity to expand the Group's domestic market shares. The Company is of the view that the businesses to be conducted by the JV Company have great development potential and may enhance future earning capability of the Group.

The terms of the JV Agreement are negotiated after arm's length negotiations. The Directors are of the view that the terms of the JV Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As one or more of the applicable percentage ratios exceeds 5% and all of the percentage ratios are below 25%, the investment in the JV Company pursuant to the JV Agreement constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“Board”	the board of Directors of the Company
“Company”	Yu Tak International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (Stock code: 8048)
“Connected Person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company (including the independent non-executive Directors) from time to time
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM of the Stock Exchange
“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 PRC
“Golden HK Jewellery”	Golden HK Jewellery (Shenzhen) Company Limited* (金香港珠寶(深圳)有限公司), an indirectly wholly owned subsidiary of the Company
“JV Agreement”	the joint venture agreement dated 2 August 2018 entered into between Golden HK Jewellery and the JV Partner in relation to the formation and management of the JV Company
“JV Company”	a joint venture company to be named 深圳御德珠寶有限公司 (Shenzhen Yu Tak Jewellery Co., Ltd.*) and to be established in the city of Shenzhen of Guangdong Province, the PRC, pursuant to the laws of the PRC and the provisions of the JV Agreement
“JV Parties”	collectively Golden HK Jewellery and the JV Partner
“JV Partner”	Mr. Zhu Jun (朱駿先生) a merchant who is a citizen of the PRC, who is a third party independent of the Company and its Connected Person

“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	ordinary share(s) of nominal value of HK\$0.1 each in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *English transliteration of the Chinese name(s) is for reference purpose only and should not be regarded as the official English name(s) of such Chinese names(s).*

This announcement contains conversion between Renminbi and Hong Kong dollar amounts at RMB1 = HK\$1.154 for illustration purpose. The conversion should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.

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

Hong Kong, 2 August 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 Xi Xia.

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.