



# Yuxing InfoTech Investment Holdings Limited

## 裕興科技投資控股有限公司\*

(Incorporated in Bermuda with limited liability)  
Stock Code: 8005

# 2023

## First Quarterly Report



for identification purposes only

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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*This report, for which the directors (the “Director(s)”) of Yuxing InfoTech Investment Holdings Limited (the “Company”) together with its subsidiaries (collectively, the “Group”) 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.*

## HIGHLIGHTS FOR THE THREE-MONTH PERIOD

- For the three months ended 31 March 2023, revenue of the Group was approximately HK\$12.6 million, representing a decrease of 57.3% as compared with the same period of last fiscal year. The Group recorded the gross profit of approximately HK\$2.4 million for the three months ended 31 March 2023 (31 March 2022: approximately HK\$1.0 million).
- Profit attributable to owners of the Company for the three months ended 31 March 2023 amounted to approximately HK\$16.8 million (31 March 2022: loss of approximately HK\$28.2 million).
- Basic earnings per share for the three months ended 31 March 2023 was approximately HK0.67 cent (31 March 2022: loss of approximately HK1.13 cents).
- Total equity attributable to owners of the Company as at 31 March 2023 was approximately HK\$1,848.5 million (31 December 2022: approximately HK\$1,827.2 million) or net asset value per share of approximately HK\$0.74 (31 December 2022: approximately HK\$0.73).
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2023 (31 March 2022: Nil).

## THREE-MONTH RESULTS (UNAUDITED)

The board of Directors of the Company (the “Board”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31 March 2023, together with the comparative unaudited figures for the same period in 2022, prepared in accordance with generally accepted accounting principles in Hong Kong, as follows:

### CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

		For the three months ended	
		31 March	
		2023	2022
	Notes	HK\$'000	HK\$'000
Revenue	3	12,604	29,545
Cost of sales		<u>(10,241)</u>	<u>(28,543)</u>
Gross profit		2,363	1,002
Other revenue and net income/(loss)	3	49,844	(3,830)
Distribution and selling expenses		(1,067)	(2,106)
General and administrative expenses		(32,720)	(21,648)
Other operating expenses		<u>(1,022)</u>	<u>(124)</u>
Profit/(Loss) from operations		17,398	(26,706)
Finance costs		<u>(174)</u>	<u>(637)</u>
Profit/(Loss) before tax		17,224	(27,343)
Income tax expenses	4	<u>(831)</u>	<u>(941)</u>
Profit/(Loss) for the period		<u>16,393</u>	<u>(28,284)</u>
<b>Profit/(Loss) attributable to:</b>			
Owners of the Company		16,758	(28,204)
Non-controlling interests		<u>(365)</u>	<u>(80)</u>
		<u>16,393</u>	<u>(28,284)</u>
Earnings/(Loss) per share	6		
– Basic		0.67 cent	(1.13) cents
– Diluted		<u>0.67 cent</u>	<u>(1.13) cents</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	For the three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
Profit/(Loss) for the period	<b>16,393</b>	(28,284)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of the PRC subsidiaries	<u>4,571</u>	<u>3,845</u>
Total other comprehensive income for the period	<u>4,571</u>	<u>3,845</u>
Total comprehensive income/(loss) for the period	<u><b>20,964</b></u>	<u>(24,439)</u>
<b>Total comprehensive income/(loss) attributable to:</b>		
Owners of the Company	<b>21,329</b>	(24,359)
Non-controlling interests	<u>(365)</u>	<u>(80)</u>
	<u><b>20,964</b></u>	<u>(24,439)</u>

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserves	Contributed surplus	Share option reserves	Property revaluation reserves	Translation reserves	Other reserves	Retained profits	Total		
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
As at 1 January 2023	62,193	280,057	8,668	234,621	-	84,992	16,136	4,201	1,136,291	1,827,159	(1,222)	1,825,937
Profit for the period	-	-	-	-	-	-	-	-	16,758	16,758	(365)	16,393
Other comprehensive income:												
Exchange differences arising on translation of the PRC subsidiaries	-	-	-	-	-	-	4,571	-	-	4,571	-	4,571
Total other comprehensive income	-	-	-	-	-	-	4,571	-	-	4,571	-	4,571
Total comprehensive income for the period	-	-	-	-	-	-	4,571	-	16,758	21,329	(365)	20,964
As at 31 March 2023	62,193	280,057	8,668	234,621	-	84,992	20,707	4,201	1,153,049	1,848,488	(1,587)	1,846,901
As at 1 January 2022	62,193	280,057	8,668	234,621	8,948	26,113	54,012	4,201	1,417,461	2,096,274	(6,057)	2,090,217
Loss for the period	-	-	-	-	-	-	-	-	(28,204)	(28,204)	(80)	(28,284)
Other comprehensive income:												
Exchange differences arising on translation of the PRC subsidiaries	-	-	-	-	-	-	3,845	-	-	3,845	-	3,845
Total other comprehensive income	-	-	-	-	-	-	3,845	-	-	3,845	-	3,845
Total comprehensive loss for the period	-	-	-	-	-	-	3,845	-	(28,204)	(24,359)	(80)	(24,439)
As at 31 March 2022	62,193	280,057	8,668	234,621	8,948	26,113	57,857	4,201	1,389,257	2,071,915	(6,137)	2,065,778

## NOTES:

### 1. General information

Yuxing InfoTech Investment Holdings Limited (the “Company”) is incorporated in Bermuda as an exempted company with limited liability and its shares are listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). The address of the registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda. The principal place of business in Hong Kong is Unit 5–6, 9/F, Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

The principal activity of the Company is investment holding. The Company’s subsidiaries are principally engaged in the businesses of information home appliances (“IHA”), internet data centre (“IDC”), investing and leasing.

### 2. Basis of preparation

The Group’s unaudited condensed consolidated financial statements for the three months ended 31 March 2023 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the GEM Listing Rules. These condensed consolidated financial statements are unaudited but have been reviewed by the Company’s audit committee.

These unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2022. They have been prepared on the historical cost basis, except for investment properties and financial assets at fair value through profit or loss, which are measured at fair value.

The accounting policies used in preparing these unaudited condensed consolidated financial statements are consistent with those used in the Group’s audited consolidated financial statements for the year ended 31 December 2022, except for the adoption of the new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) and HKASs which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 January 2023 as described below.

Amendments to HKAS 1	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
HKFRS 17	Insurance Contracts
Amendment to HKFRS 17	Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information

The adoption of these amendments to HKASs and HKFRSs did not result in substantial changes to the Group’s accounting policies and amounts reported for the current and prior periods.

### 3. Revenue, other revenue and net income/(loss)

	For the three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
<b>Revenue</b>		
<i>Revenue recognised at a point in time under HKFRS15:</i>		
<b>IHA:</b>		
Sale of goods	8,604	26,545
<b>IDC:</b>		
Rental income from IDC properties and facilities	4,000	3,000
	<u>12,604</u>	<u>29,545</u>
<b>Other revenue</b>		
Dividend income from listed securities	42	–
Rental income from investment properties	2,113	2,298
Interest income calculated using the effective interest method:		
Interest income from bank deposits	470	160
Interest income from loans receivable	1,865	3,915
	<u>4,490</u>	<u>6,373</u>
<b>Other net income/(loss)</b>		
Foreign exchange gains/(losses), net	386	(363)
Net fair value gains/(losses) on financial assets at fair value through profit or loss	44,943	(10,813)
(Loss)/Gain on utilisation of cryptocurrencies	(10)	729
Sundry income	35	244
	<u>45,354</u>	<u>(10,203)</u>
	<u>49,844</u>	<u>(3,830)</u>

#### 4. Income tax expenses

The taxation charged to profit or loss represents:

	For the three months ended 31 March	
	2023	2022
	HK\$'000	HK\$'000
<b>Current tax</b>		
PRC corporate income tax	57	197
Overseas withholding tax	774	744
	<u>831</u>	<u>941</u>

No Hong Kong Profits Tax has been provided for the three months ended 31 March 2023 and 2022 as the Group did not have any assessable profit from Hong Kong for both periods.

The income tax provision in respect of operations in the People's Republic of China (the "PRC") is calculated at the corporate income tax ("CIT") rate of 25% on the estimated assessable profits for the three months ended 31 March 2023 and 2022 based on existing legislation, interpretations and practices in respect thereof. Certain subsidiaries of the Company have been designated as "Small-Scale and Low-Profit Enterprises" which are charged at the effective preferential CIT rates of 2.5% or 5% (31 March 2022: 2.5% or 5%) respectively on condition that the taxable income was no more than RMB1.0 million or between RMB1.0 million to RMB3.0 million for the three months ended 31 March 2023 and 2022.

The operation of the Group in the United States of America (the "United States") is subject to the United States Federal and State Income Tax. For the three months ended 31 March 2023 and 2022, the United States Federal and State Income Tax has not been provided as the Group did not generate any assessable profit in the United States.

Under the United States domestic tax laws, a foreign person is subject to 30% income tax on the gross amount of certain United States-source (non-business) income. As such, withholding tax is provided at 30% for the interest income derived from the loans to a wholly-owned subsidiary in the United States by the Company for the three months ended 31 March 2023 and 2022.

#### 5. Dividends

The Board does not recommend the payment of a dividend for the three months ended 31 March 2023 (31 March 2022: Nil).

## 6. Earnings/(Loss) per share

The calculation of the basic and diluted earnings/(loss) per share attributable to owners of the Company is based on the following data:

	For the three months ended 31 March	
	2023 HK\$'000	2022 HK\$'000
Profit/(Loss) attributable to owners of the Company	<u>16,758</u>	<u>(28,204)</u>
	For the three months ended 31 March	
	2023 '000	2022 '000
Weighted average number of ordinary shares for basic earnings/(loss) per share	<u>2,487,705</u>	2,487,705
Weighted average number of ordinary shares for diluted earnings/(loss) per share	<u>2,487,705</u>	<u>2,487,705</u>
Earnings/(Loss) per share:		
– Basic	<u>0.67 cent</u>	(1.13) cents
– Diluted (Note)	<u>0.67 cent</u>	<u>(1.13) cents</u>

Note:

Diluted earnings/(loss) per share was the same as the basic earnings/(loss) per share for the three months ended 31 March 2023 and 2022 because the potential new ordinary shares to be issued on exercise of the outstanding share options under the Company's share option scheme have an anti-dilutive effect on the basic earnings/(loss) per share during the respective periods.

## 7. Approval of the unaudited condensed consolidated financial statements

The unaudited condensed consolidated financial statements were approved by the Board on 11 May 2023.

## MANAGEMENT DISCUSSION AND ANALYSIS

The Group is principally engaged in the business of information home appliances (“IHA”), internet data centre (“IDC”), investing and leasing.

### BUSINESS REVIEW AND PROSPECT

#### IHA Business

The IHA business is principally engaged in sales and distribution of IHA and complementary products. Products launched by the Group in the markets include high digital set-top boxes (“STB”), hybrid dual-STB, over-the-top (“OTT”)/Internet Protocol Television (“IPTV”) STB, STB equipment with Android systems, etc. The Group recorded approximately HK\$8.6 million of revenue from the IHA business during the three months ended 31 March 2023 (the “Period”) representing a decrease of 67.6% as compared with the same period of last fiscal year as a result of the seasonal effect.

#### IDC Business

The IDC business is comprised of the development, construction, operation, mergers, acquisition and leasing out of properties and facilities used in IDC. The Group’s revenue generated the IDC business was increased by 33.3% to approximately HK\$4.0 million for the Period, as compared with the same period of last fiscal year. The increase in revenue representing a steady revenue stream from Shatin IDC.

#### Investing Business

The Group’s investing business was principally engaged in the trading of securities, investing in financial instruments including unlisted equity securities, and digital assets. The Group recorded a net profit on financial assets at fair value through profit or loss of approximately HK\$44.9 million (31 March 2022: a net loss of approximately HK\$10.8 million) for the Period. The gain was attributed by the stock market rebound and the Group realised part of its listed securities investment portfolio including the investment in Tencent Holdings Limited (“Tencent Shares”) during the first quarter of the year. The disposals of Tencent Shares are set out in the Company’s announcement dated 2 March 2023. The disposals of other listed securities do not constitute notifiable transactions under the GEM Listing Rules individually.

## Leasing Business

The leasing segment of the Group comprised of leasing out of properties. The rental income generated from the segment was approximately HK\$2.1 million (31 March 2022: approximately HK\$2.3 million), representing a decrease of 4.3% compared with the same period of last fiscal year. The purchase of an investment property located in Meishan, Sichuan (“Meishan Property”) was delivered on 20 March 2023. The interior decoration soon commenced following the completion of the purchase. The Meishan Property is expected to lease out as warm-shell property for a higher rental return during the third quarter of the year.

## FINANCIAL REVIEW

### Operating Results

#### *Revenue and Gross Profit*

The Group recorded approximately HK\$12.6 million (31 March 2022: approximately HK\$29.5 million) of revenue for the Period, representing a decrease of 57.3% as compared with the same period of last fiscal year. The gross profit increased by 135.8% to approximately HK\$2.4 million due to the improvement in cost control and the decrease in the cost of raw materials.

#### *Other Revenue and Net Income/(Loss)*

The Group recorded a net income of approximately HK\$49.8 million (31 March 2022: a net loss of approximately HK\$3.8 million) from other revenue and net income for the Period. The gain was attributed by the stock market rebound in the first quarter of the year.

#### *Distribution and Selling Expenses*

The Group’s distribution and selling expenses was decreased by 49.3% to approximately HK\$1.1 million (31 March 2022: approximately HK\$2.1 million) for the Period due to the reduction in logistics and shipping costs after the ease of the prevention and control of the COVID-19 pandemic on customs clearance.

### *General and Administrative Expenses*

The Group's general and administrative expenses had further increased by 51.1% to approximately HK\$32.7 million (31 March 2022: approximately HK\$21.6 million) for the Period. The increase was attributed to the amortisation of intangible assets, being the hash-rate capacity of mining machines acquired for cryptocurrencies mining not allocated to cost of cryptocurrencies. Apart from the amortisation of approximately HK\$8.1 million, the general and administration expenses was approximately HK\$24.6 million (31 March 2022: approximately HK\$21.6 million) for the Period, representing an increase of 13.8% due to an increase in research and development costs.

### *Finance Costs*

Since the Group satisfied with the working capital generated from the operations, the portion of debt financing reduced as compared with the same period of last fiscal year. The finance costs of the Group decreased by 72.7% to approximately HK\$0.2 million (31 March 2022: approximately HK\$0.6 million) for the Period accordingly.

### *Profit/(Loss) for the Period*

As a result of the foregoing, the Group recorded a profit attributable to owners of the Company of approximately HK\$16.8 million (31 March 2022: loss of approximately HK\$28.2 million) for the Period.

## **Liquidity and Financial Resources**

As at 31 March 2023, the Group had net current assets of approximately HK\$521.9 million. The Group had cash and bank balances of approximately HK\$132.8 million and pledged bank deposits of approximately HK\$0.2 million, respectively. The financial resources were funded mainly by working capital generated from the operations.

The current ratio, as calculated by dividing current assets by current liabilities, was 2.5 times (31 December 2022: 2.3 times) as at 31 March 2023. The gearing ratio, as measured by total liabilities divided by total equity, was 21.3% (31 December 2022: 23.5%) as at 31 March 2023.

## **Contingent Liabilities**

The Group had no contingent liabilities as at 31 March 2023 (31 December 2022: Nil).

## **Charges on Group Assets**

As at 31 March 2023, the Group had approximately HK\$135.8 million (31 December 2022: approximately HK\$135.3 million) of assets being pledged to secure the loan granted to the Group.

## Capital Structure

As at 31 March 2023, the Group had shareholder's capital of approximately HK\$62.2 million (31 December 2022: approximately HK\$62.2 million). The shareholder's capital of the Company is constituted of 2,487,704,800 shares (31 December 2022: 2,487,704,800 shares).

## Significant Investments/Material Acquisitions and Disposals

The Group had no significant investment and material acquisitions or disposal of subsidiaries, associates and joint ventures during the Period.

## Future Plans for Material Investments and Capital Assets

There is no other plan for material investments or capital assets as at 31 March 2023.

## Key Risks and Uncertainties

During the Period, the Group endeavoured to improve the risk management system on different aspects of company strategies, businesses operation and finance. The key risks and uncertainties to which the Group is subject are summarized as follows:

- (i) The revenue of the Group is difficult to predict and may be volatile in any given reporting period owing to the tightened supply of microchips as the raw materials of the distributed products of the IHA business;
- (ii) The Group may be potentially exposed to the growth in cost pressures from raw materials of the distributed products of the IHA business;
- (iii) The IHA business may be threatened by fierce competition on the rapid iteration of technological products;
- (iv) The service and rental income from US IDC may fail to meet the expectation due to the US-China political intensions;
- (v) The investment return from the stock market may be subject to frequent changes of market policies and regulations;

- (vi) The value of digital assets held by the Group may be subject to volatile market prices, impairment and unique risks of loss such as cyberattacks, human errors or computer malfunctions;
- (vii) The Group may face regulatory challenges to or limitation on the Group's digital asset investment; and
- (viii) The Group may be impacted by economic recession resulting from the post-pandemic.

In future business operations, the Group will be highly aware of the aforesaid risks and uncertainties and will proactively adopt effective measures to tackle such risks and uncertainties.

## **Environmental Policies and Performance**

The Group is committed to building an environmentally-friendly corporation and always takes environmental protection issues into consideration during daily operations. The Group does not produce material waste nor emits material quantities of air pollutants. The Group also strives to minimize the adverse environmental impacts by encouraging the employees to recycle office supplies and other materials and save electricity.

## **Compliance with Laws and Regulations**

The Company has been listed on the GEM of the Stock Exchange since 2000. The operations of the Group are mainly carried out by the Company's subsidiaries in the PRC, Hong Kong and the United States. As such, the Group's operations shall comply with relevant laws and regulations in the PRC, Hong Kong and the United States accordingly. During the Period, the Group has complied with all applicable laws and regulations in the PRC, Hong Kong and the United States in all material respects. The Group shall continue to keep itself updated with the requirements of the relevant laws and regulations in the PRC, Hong Kong and the United States and adhere to them to ensure compliance.

## **RESERVES**

Movements in the reserves of the Group during the Period are set out in the unaudited condensed consolidated statement of changes in equity of the financial statements.

## **DIVIDENDS**

The Board does not recommend the payment of a dividend for the Period (31 March 2022: Nil).

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 March 2023, the interests or short positions of the Directors and chief executive of the Company in the shares (the "Shares"), underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

### Long positions in the shares of the Company

Name of Directors	Nature of interests	Number of ordinary Shares	Capacity	Approximate percentage of the total issued share capital of the Company
Mr. Li Qiang	Personal	4,604,000	Beneficial owner Interest of a controlled	0.19%
Mr. Cong Yu	Personal	741,379,800	corporation	29.80%
Mr. Gao Fei	Personal	2,190,000	Beneficial owner	0.09%
Mr. Shi Guangrong	Personal	22,660,000	Beneficial owner	0.91%
Mr. Zhu Jiang	Personal	7,926,756	Beneficial owner	0.32%
Ms. Shen Yan	Personal	324,000	Beneficial owner	0.01%

Save as disclosed above, as at 31 March 2023, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

Based on the information provided to the Company in notices filed, as at 31 March 2023, the entities and/or persons or corporations who had any interests or short positions in the Shares and/or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company were as follows:

### Long positions in the shares and underlying shares of the Company

Name of Shareholders	Nature of interests	Number of ordinary Shares	Capacity	Approximate percentage of the total issued share capital of the Company
Unicorn Resources Inc. (Note 1)	Corporate	741,379,800	Beneficial owner	29.80%
Cong Yu Company Limited (Note 1)	Corporate	741,379,800	Interest of a controlled corporation	29.80%
Mr. Cong Yu (Note 1)	Personal	741,379,800	Interest of a controlled corporation	29.80%
Mr. Zhu Weisha (Note 2)	Personal	741,379,800	Interest of a controlled corporation	29.80%
		19,000,000	Beneficial owner	0.76%
Honbridge Holdings Limited (Stock Code: 8137) (Note 3)	Corporate	351,867,200	Beneficial owner	14.14%
Hong Bridge Capital Limited (Note 3)	Corporate	351,867,200	Interest of a controlled corporation	14.14%
Geely Group Limited (Note 3)	Corporate	351,867,200	Interest of a controlled corporation	14.14%
Mr. Li Shu Fu (Note 3)	Personal	351,867,200	Interest of a controlled corporation	14.14%

#### Notes:

1. Unicorn Resources Inc. is the beneficial owner of 741,379,800 Shares. Cong Yu Company Limited holds 55% interest in Unicorn and it is deemed to be interested in the 741,379,800 Shares held by Unicorn. Mr. Cong Yu holds 100% interest in Cong Yu Company Limited (which holds 55% interest in Unicorn) and he is therefore deemed to be interested in the 741,379,800 Shares held by Unicorn.

2. Mr. Zhu Weisha holds 45% interest in Unicorn and he is deemed to be interested in the 741,379,800 Shares held by Unicorn. The remaining interest in 19,000,000 Shares is beneficially owned by Mr. Zhu Weisha, representing 19,000,000 underlying shares in respect of the share options granted by the Company on 30th August 2019.
3. Honbridge Holdings Limited is the beneficial owner of 351,867,200 Shares. 41.25% shares of Honbridge Holdings Limited are held by Hong Bridge Capital Limited, which in turn 68.86% held by Geely Group Limited (which 100% held by Mr. Li Shu Fu). By virtue of the provisions of Part XV of the SFO, each of Hong Bridge Capital Limited, Geely Group Limited and Mr. Li Shu Fu was deemed to be interested in the shares of the Company in which Honbridge Holdings Limited was interested.
4. Based on a total of 2,487,704,800 issued Shares of the Company as at 31 March 2023.

Save as disclosed above, as at 31 March 2023, the Directors are not aware of any persons or corporations who had any interests or short positions in the Shares and/or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the Period.

## COMPETING INTERESTS

None of the Directors or the controlling Shareholders and their respective associates (as defined in the GEM Listing Rules) has an interest in a business which competed or might compete with the business of the Group or has any other conflict of interest with the Group during the Period.

## CORPORATE GOVERNANCE

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising Shareholders' interests.

During the Period, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix 15 to the GEM Listing Rules.

## AUDIT COMMITTEE

The Board has established an audit committee (the “Audit Committee”). It currently comprises three independent non-executive Directors, namely Ms. Shen Yan (Chairlady), Ms. Dong Hairong and Ms. Huo Qiwei. None of the members of the Audit Committee is a former partner of the auditor of the Company. The principal duties of the Audit Committee are to assist the Board in reviewing the financial information, overseeing the Company’s financial reporting system, risk management, internal control systems and relationship with the external auditor, and arrangements to enable employees of the Company to raise concerns under the protection of confidentiality about possible improprieties in financial reporting, internal control or other matters of the Company. The Group’s unaudited condensed consolidated results for the Period have not been audited but have been reviewed by the Audit Committee pursuant to the relevant provisions contained in the CG Code. The Audit Committee was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

## PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the Period.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings as set out in rules 5.48 to 5.67 (the “Required Standard of Dealings”) of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Upon specific enquiries of all Directors, each of them confirmed that they have complied with the required standards set out in the Required Standard of Dealings for the Period in relation to their securities dealings, if any.

By order of the Board  
**Yuxing InfoTech Investment Holdings Limited**  
**Cong Yu**  
*Executive Director and Chief Executive Officer*

Hong Kong, 11 May 2023

*As at the date hereof, the executive Directors are Mr. Li Qiang, Mr. Cong Yu, Mr. Gao Fei, Mr. Shi Guangrong, Mr. Zhu Jiang and Mr. Chen Biao; the independent non-executive Directors are Ms. Shen Yan, Ms. Dong Hairong and Ms. Huo Qiwei.*