



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)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

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This announcement, for which the directors (the “Directors”) 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 announcement 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 announcement misleading.



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ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2022

HIGHLIGHTS FOR THE YEAR ENDED 31 DECEMBER 2022

- The overall revenue of the Group increased by 30.0% to approximately HK\$223.2 million for FY2022 as compared with the last fiscal year.
- The gross profit of the Group decreased by 17.7% to approximately HK\$27.8 million for FY2022 as compared with the last fiscal year.
- The Group recorded a loss attributable to the owners of the Company of approximately HK\$290.1 million (FY2021: approximately HK\$172.5 million) for FY2022.
- Basic loss per share for FY2022 was approximately HK\$0.12 (FY2021: approximately HK\$0.07).
- Total equity attributable to owners of the Company as at 31 December 2022 was approximately HK\$1,827.2 million (2021: approximately HK\$2,096.3 million) or net assets per share of HK\$0.73 (2021: approximately HK\$0.84).
- The Board does not recommend the payment of a final dividend for FY2022 (FY2021: Nil).

RESULTS

The board of Directors of the Company (the “Board”) is pleased to announce the audited consolidated results of the Company and its subsidiaries (collectively the “Group”) for the year ended 31 December 2022, together with the comparative figures for the previous year, prepared in accordance with generally accepted accounting principles in Hong Kong, as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
Revenue	4	223,237	171,682
Cost of sales		<u>(195,408)</u>	<u>(137,868)</u>
Gross profit		27,829	33,814
Other revenue and net loss	4	(84,783)	(76,612)
Distribution and selling expenses		(6,439)	(7,597)
General and administrative expenses		(111,182)	(106,285)
Write-down of cryptocurrencies		(50,356)	–
Other operating expenses		(1,779)	(2,284)
Net changes in fair value of investment properties		53,769	(2,669)
Loss allowance on loans receivable	10	(83,079)	(59,065)
(Loss)/Gain on disposal of subsidiaries		<u>(3,693)</u>	<u>55,300</u>
Loss from operations	5	(259,713)	(165,398)
Finance costs	6	<u>(2,350)</u>	<u>(3,612)</u>
Loss before tax		(262,063)	(169,010)
Income tax expenses	7	<u>(29,002)</u>	<u>(4,051)</u>
Loss for the year		<u><u>(291,065)</u></u>	<u><u>(173,061)</u></u>
Loss attributable to:			
Owners of the Company		(290,118)	(172,495)
Non-controlling interests		<u>(947)</u>	<u>(566)</u>
		<u><u>(291,065)</u></u>	<u><u>(173,061)</u></u>
		HK\$	HK\$
Loss per share	9		
– Basic		(0.12)	(0.07)
– Diluted		<u>(0.12)</u>	<u>(0.07)</u>

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (Continued)*For the year ended 31 December 2022*

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loss for the year	<u>(291,065)</u>	<u>(173,061)</u>
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Revaluation of property, plant and equipment upon transfer to investment properties		
– Gain on revaluation, net of tax	<u>58,879</u>	<u>–</u>
Items that are reclassified or may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of the PRC subsidiaries	(39,310)	21,002
Release of translation reserves upon disposal of subsidiaries	<u>1,434</u>	<u>(13,012)</u>
Total other comprehensive income for the year (net of tax)	<u>21,003</u>	<u>7,990</u>
Total comprehensive loss for the year	<u><u>(270,062)</u></u>	<u><u>(165,071)</u></u>
Total comprehensive loss attributable to:		
Owners of the Company	(269,115)	(164,505)
Non-controlling interests	<u>(947)</u>	<u>(566)</u>
	<u><u>(270,062)</u></u>	<u><u>(165,071)</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 HK\$'000	2021 HK\$'000
NON-CURRENT ASSETS			
Investment properties		934,696	91,793
Property, plant and equipment		179,522	798,934
Right-of-use assets		74,402	86,302
Intangible assets		48,686	87,907
Deposits paid	11	33,459	89,702
Prepayment for construction	11	648	1,104
Financial assets at fair value through profit or loss		<u>113,160</u>	<u>102,169</u>
		1,384,573	1,257,911
CURRENT ASSETS			
Cryptocurrencies		61,967	20,969
Inventories		16,897	15,466
Loans receivable	10	103,180	176,402
Trade and other receivables	11	423,581	540,320
Financial assets at fair value through profit or loss		87,001	148,573
Income tax recoverable		567	1,442
Pledged bank deposits		200	8,827
Cash and bank balances		<u>177,089</u>	<u>335,534</u>
		870,482	1,247,533
CURRENT LIABILITIES			
Trade and other payables	12	361,037	337,156
Dividend payables		31	31
Bank and other loans		12,888	44,957
Lease liabilities		<u>2,145</u>	<u>7,185</u>
		376,101	389,329

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (Continued)*As at 31 December 2022*

	<i>Note</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
NET CURRENT ASSETS		<u>494,381</u>	<u>858,204</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,878,954</u>	<u>2,116,115</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities		43,146	16,772
Income tax payable		8,532	5,487
Lease liabilities		<u>1,339</u>	<u>3,639</u>
		<u>53,017</u>	<u>25,898</u>
NET ASSETS		<u>1,825,937</u>	<u>2,090,217</u>
EQUITY			
Share capital	13	62,193	62,193
Reserves		<u>1,764,966</u>	<u>2,034,081</u>
Equity attributable to owners of the Company		1,827,159	2,096,274
Non-controlling interests		<u>(1,222)</u>	<u>(6,057)</u>
TOTAL EQUITY		<u>1,825,937</u>	<u>2,090,217</u>

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Attributable to owners of the Company											
	Share capital HK\$'000	Share premium HK\$'000	Statutory reserves HK\$'000	Contributed surplus HK\$'000	Share option reserves HK\$'000	Property revaluation reserves HK\$'000	Translation reserves HK\$'000	Other reserves HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non-controlling interests HK\$'000	Total equity HK\$'000
As at 1 January 2021	51,827	207,499	8,668	234,621	10,423	26,113	46,022	25	1,588,481	2,173,679	(1,315)	2,172,364
Loss for the year	-	-	-	-	-	-	-	-	(172,495)	(172,495)	(566)	(173,061)
Other comprehensive income:												
Exchange differences arising on translation of the PRC subsidiaries	-	-	-	-	-	-	21,002	-	-	21,002	-	21,002
Release of translation reserves upon disposal of subsidiaries	-	-	-	-	-	-	(13,012)	-	-	(13,012)	-	(13,012)
Total other comprehensive income	-	-	-	-	-	-	7,990	-	-	7,990	-	7,990
Total comprehensive loss for the year	-	-	-	-	-	-	7,990	-	(172,495)	(164,505)	(566)	(165,071)
Transactions with owners:												
<i>Contributions and distributions</i>												
Issue of new shares	10,366	72,558	-	-	-	-	-	-	-	82,924	-	82,924
Share options lapsed	-	-	-	-	(1,475)	-	-	-	1,475	-	-	-
<i>Change in ownership interest</i>												
Change in ownership interest in a subsidiary that does not result in a loss of control	-	-	-	-	-	-	-	4,176	-	4,176	(4,176)	-
Total transactions with owners	10,366	72,558	-	-	(1,475)	-	-	4,176	1,475	87,100	(4,176)	82,924
As at 31 December 2021 and 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 year	-	-	-	-	-	-	-	-	(290,118)	(290,118)	(947)	(291,065)
Other comprehensive income:												
Revaluation of property, plant and equipment upon transfer to investment properties	-	-	-	-	-	58,879	-	-	-	58,879	-	58,879
- Gain on revaluation, net of tax	-	-	-	-	-	-	(39,310)	-	-	(39,310)	-	(39,310)
Exchange differences arising on translation of the PRC subsidiaries	-	-	-	-	-	-	1,434	-	-	1,434	-	1,434
Release of translation reserves upon disposal of subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-
Total other comprehensive income	-	-	-	-	-	58,879	(37,876)	-	-	21,003	-	21,003
Total comprehensive loss for the year	-	-	-	-	-	58,879	(37,876)	-	(290,118)	(269,115)	(947)	(270,062)
Transactions with owners:												
<i>Contributions and distributions</i>												
Share options lapsed	-	-	-	-	(8,948)	-	-	-	8,948	-	-	-
<i>Change in ownership interest</i>												
Non-controlling interest arising from acquisition of a subsidiary	-	-	-	-	-	-	-	-	-	-	5,782	5,782
Total transactions with owners	-	-	-	-	(8,948)	-	-	-	8,948	-	5,782	5,782
As at 31 December 2022	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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable HKFRSs, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the applicable disclosure requirements of the Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing The listing of Securities on GEM of the Stock Exchange.

These consolidated financial statements have been prepared on a basis consistent with the accounting policies adopted in the 2021 consolidated financial statements except for the adoption of the following new/revised HKFRSs which are relevant to the Group and effective from the current year.

2. ADOPTION OF HONG KONG FINANCIAL REPORTING STANDARDS

Adoption of new/revised HKFRSs

The Group has applied, for the first time, the following new/revised HKFRSs:

Amendments to HKFRS 16	Covid-19-Related Rent Concessions Beyond 30 June 2021
Amendments to HKAS 16	Proceeds before Intended Use
Amendments to HKAS 37	Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs	2018–2020 Cycle

The adoption of the above amendments does not have any significant impact on the consolidated financial statements.

3. SEGMENT INFORMATION

Information reported to executive Directors and chief executive officer of the Company, being the chief operating decision-makers, for the purposes of resources allocation and assessment of segment performance focuses on types of goods or services delivered or provided.

The Group’s reportable segments under HKFRS 8 are as follows:

- Information home appliances (“IHA”): Sale and distribution of IHA and complementary products and provision of ancillary services
- Internet data centre (“IDC”): Development, construction, operation, mergers, acquisitions and leasing out of properties used as IDC and facilities used in IDC
- Investing: Investing in digital assets and financial instruments
- Leasing: Leasing out of properties

Other operations segment of the Group mainly consists of trading of miscellaneous goods and office and smart-home living solution services.

For the purpose of assessing the performance of the operating segments and allocating resources between segments, the executive Directors assess segment profit or loss before tax without allocation of interest income from bank deposits, finance costs, legal and professional fees and other corporate income and administrative costs and the basis of preparing such information is consistent with that of the consolidated financial statements.

All assets are allocated to reportable segments other than head office bank balances and other unallocated financial and corporate assets which are managed on a group basis. All liabilities are allocated to reportable segments other than unallocated head office and corporate liabilities which are managed on a group basis.

Inter-segment sales transactions are charged at prevailing market rates. There was no change in the estimation techniques or significant assumptions made during the year.

Business segments

An analysis of the Group's revenue, other revenue and net loss, net changes in fair value of investment properties, segment results and segment assets and liabilities by business segments are as follows:

For the year ended 31 December 2022

	IHA HK\$'000	IDC HK\$'000	Investing HK\$'000	Leasing HK\$'000	Other operations HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
REVENUE							
Sale of goods	208,177	-	-	-	60	-	208,237
Lease of properties used as IDC and facilities used in IDC	-	15,000	-	-	-	-	15,000
OTHER REVENUE AND NET LOSS	636	(57,701)	(58,085)	9,462	591	(42)	(105,139)
NET CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES	-	53,268	-	501	-	-	53,769
Segment revenue	<u>208,813</u>	<u>10,567</u>	<u>(58,085)</u>	<u>9,963</u>	<u>651</u>	<u>(42)</u>	<u>171,867</u>
RESULTS							
Segment results	<u>(5,329)</u>	<u>(11,806)</u>	<u>(125,738)</u>	<u>5,651</u>	<u>(11,730)</u>	<u>-</u>	<u>(148,952)</u>
Unallocated corporate income							14,338
Interest income from bank deposits							2,325
Loss allowance on loans receivable							(83,079)
Other unallocated corporate expenses							(44,345)
Loss from operations							(259,713)
Finance costs							(2,350)
Loss before tax							(262,063)
Income tax expenses							(29,002)
Loss for the year							<u>(291,065)</u>

As at 31 December 2022

	IHA HK\$'000	IDC HK\$'000	Investing HK\$'000	Leasing HK\$'000	Other operations HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
ASSETS							
Segment assets	117,373	937,335	422,234	133,099	232,271	-	1,842,312
Unallocated corporate assets						412,743	412,743
Consolidated total assets							<u>2,255,055</u>
LIABILITIES							
Segment liabilities	94,751	53,741	124,101	19,256	124,715	-	416,564
Unallocated corporate liabilities						12,554	12,554
Consolidated total liabilities							<u>429,118</u>
OTHER INFORMATION							
Capital expenditures							
- Property, plant and equipment	-	536	141,595	219	926	21,737	165,013
Depreciation							
- Property, plant and equipment	93	7,254	17,055	560	7	393	25,362
- Allocated to cost of cryptocurrencies	-	-	(16,939)	-	-	-	(16,939)
- Right-of-use assets	1,498	-	522	360	263	8,261	10,904
Amortisation of intangible assets	-	-	36,292	-	-	-	36,292
- Allocated to cost of cryptocurrencies	-	-	(21,170)	-	-	-	(21,170)
Impairment loss on intangible assets	-	-	3,138	-	-	-	3,138
Impairment loss on property, plant and equipment	-	-	23,127	-	-	-	23,127
Reversal of write-down of inventories, net	(1,796)	-	-	-	-	-	(1,796)
Write-down of cryptocurrencies	-	-	50,356	-	-	-	50,356
Foreign exchange losses/(gains), net	518	-	-	-	(575)	(59)	(116)
Net fair value (gains)/losses on financial assets at fair value through profit or loss	<u>(58)</u>	<u>64,909</u>	<u>32,305</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>97,156</u>

For the year ended 31 December 2021

	IHA HK\$'000	IDC HK\$'000	Investing HK\$'000	Leasing HK\$'000	Other operations HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
REVENUE							
Sale of goods	140,246	-	-	-	-	-	140,246
Lease of properties used as IDC and facilities used in IDC	-	31,436	-	-	-	-	31,436
OTHER REVENUE AND NET LOSS	(6,477)	(43,224)	(53,027)	9,712	4	(88)	(93,100)
NET CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES	-	1,440	-	(4,109)	-	-	(2,669)
GAIN ON DISPOSAL OF A SUBSIDIARY	-	55,300	-	-	-	-	55,300
Segment revenue	<u>133,769</u>	<u>44,952</u>	<u>(53,027)</u>	<u>5,603</u>	<u>4</u>	<u>(88)</u>	<u>131,213</u>
RESULTS							
Segment results	<u>(33,435)</u>	<u>11,381</u>	<u>(71,069)</u>	<u>275</u>	<u>(783)</u>	<u>-</u>	<u>(93,631)</u>
Unallocated corporate income							16,164
Interest income from bank deposits							324
Loss allowance on loans receivable							(59,065)
Other unallocated corporate expenses							<u>(29,190)</u>
Loss from operations							(165,398)
Finance costs							<u>(3,612)</u>
Loss before tax							(169,010)
Income tax expenses							<u>(4,051)</u>
Loss for the year							<u>(173,061)</u>

As at 31 December 2021

	IHA HK\$'000	IDC HK\$'000	Investing HK\$'000	Leasing HK\$'000	Other operations HK\$'000	Unallocated HK\$'000	Consolidated HK\$'000
ASSETS							
Segment assets	99,613	1,025,221	506,338	109,474	250,955	–	1,991,601
Unallocated corporate assets						513,843	<u>513,843</u>
Consolidated total assets							<u><u>2,505,444</u></u>
LIABILITIES							
Segment liabilities	74,009	37,876	97,471	20,301	135,133	–	364,790
Unallocated corporate liabilities						50,437	<u>50,437</u>
Consolidated total liabilities							<u><u>415,227</u></u>
OTHER INFORMATION							
Capital expenditures							
– Property, plant and equipment	92	53,047	381	1,474	–	90	55,084
– Right-of-use assets	398	–	–	–	–	3,773	4,171
Depreciation							
– Property, plant and equipment	219	6,530	50	615	–	257	7,671
– Right-of-use assets	1,714	–	577	372	–	7,913	10,576
Amortisation of intangible assets	–	–	20,969	–	–	–	20,969
– Allocated to cost of cryptocurrencies	–	–	(20,969)	–	–	–	(20,969)
Write-down of inventories, net	595	–	–	–	–	–	595
Foreign exchange losses, net	7,446	–	–	–	–	513	7,959
Operating lease charges on premises	49	–	59	4	–	326	438
Net fair value (gains)/losses on financial assets at fair value through profit or loss	<u>(327)</u>	<u>43,224</u>	<u>57,035</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u><u>99,932</u></u>

Geographical information

The Group operates in the following principal geographical areas: the People's Republic of China (the "PRC"), Hong Kong, Australia, Laos, the United States and other overseas markets in both 2022 and 2021.

The following tables set out information about the geographical location of (a) the Group's revenue and non-current assets other than financial assets at fair value through profit or loss; and (b) other revenue and net loss other than unallocated corporate income and interest income from bank deposits. The geographical location of customers is based on the location at which the services were provided or the goods were delivered. The geographical location of the non-current assets is based on the physical location of the assets while the geographical location of intangible assets is based on the location of the company holding the assets. The geographical location of other revenue and net loss is based on the location at which other revenue and net loss is generated.

(a) Revenue and non-current assets

	Revenue		Non-current assets	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The PRC	80,423	71,756	129,020	117,912
Hong Kong	53,012	37,807	164,544	300,253
Australia	58,082	45,268	–	–
Laos	–	–	103,867	–
The United States	–	–	852,440	737,577
Other overseas markets	31,720	16,851	21,542	–
	<u>223,237</u>	<u>171,682</u>	<u>1,271,413</u>	<u>1,155,742</u>

(b) Other revenue and net loss

	For the year ended 31 December 2022					
	IHA	IDC	Investing	Leasing	Other operations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The PRC	905	(57,701)	5,644	9,384	591	(41,177)
Laos	–	–	(23,127)	–	–	(23,127)
Hong Kong	(269)	–	(40,602)	36	–	(40,835)
	<u>636</u>	<u>(57,701)</u>	<u>(58,085)</u>	<u>9,420</u>	<u>591</u>	<u>(105,139)</u>
	For the year ended 31 December 2021					
	IHA	IDC	Investing	Leasing	Other operations	Consolidated
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
The PRC	(1,062)	(43,224)	1,377	9,552	4	(33,353)
Hong Kong	(5,415)	–	(54,404)	72	–	(59,747)
	<u>(6,477)</u>	<u>(43,224)</u>	<u>(53,027)</u>	<u>9,624</u>	<u>4</u>	<u>(93,100)</u>

Information about major customers

Revenue from customers individually contributing 10% or over of the total revenue of the Group is as follows:

	2022 HK\$'000	2021 <i>HK\$'000</i>
Customer A	78,528	51,232
Customer B	58,082	45,268
Customer C	23,507	—*
Customer D	—*	19,436
Customer E	—*	17,433
	160,117	133,369

* These customers individually contributed less than 10% of the total revenue.

4. REVENUE, OTHER REVENUE AND NET LOSS

	2022 HK\$'000	2021 <i>HK\$'000</i>
Revenue		
Sale of goods (<i>Note</i>)	208,237	140,246
Rental income from IDC properties and facilities (<i>note 3</i>)	15,000	31,436
	223,237	171,682
Other revenue		
Dividend income from listed securities	370	4,788
Rental income from investment properties	8,918	9,109
Interest income calculated using the effective interest method:		
Interest income from bank deposits	2,325	324
Interest income from loans receivable	15,559	15,726
	27,172	29,947
Other net loss		
Foreign exchange gains/(losses), net	116	(7,959)
Net fair value losses on financial assets at fair value through profit or loss	(97,156)	(99,932)
Impairment loss on intangible assets	(3,138)	—
Impairment loss on property, plant and equipment	(23,127)	—
Loss on disposal of property, plant and equipment	(4)	(15)
Gain on disposal/utilisation of cryptocurrencies	713	—
Government subsidies	432	—
Insurance claim	9,461	—
Sundry income	748	1,347
	(111,955)	(106,559)
	(84,783)	(76,612)

Note:

The revenue from contracts with customers for sale of goods within HKFRS 15 is based on fixed price and recognised at a point in time.

The amount of revenue recognised for the year ended 31 December 2022 that was included in the contract liabilities at the beginning of the year is approximately HK\$16,645,000 (2021: approximately HK\$5,288,000).

5. LOSS FROM OPERATIONS

Loss from operations has been arrived at after charging/(crediting):

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Auditor's remuneration	1,690	1,600
Amortisation of intangible assets	36,292	20,969
– Allocated to cost of cryptocurrencies	(21,170)	(20,969)
Depreciation of property, plant and equipment*	25,362	7,671
– Allocated to cost of cryptocurrencies	(16,939)	–
Depreciation of right-of-use assets	10,904	10,576
Cost of inventories	176,965	120,690
Cost of cryptocurrencies	1,719	–
Gain on lease modifications	(169)	(17)
Loss on disposal of property, plant and equipment	4	15
(Reversal of write-down)/Write-down of inventories, net	(1,796)	595
Research and development costs	2,280	2,559
Write-down of cryptocurrencies	50,356	–
Direct operating expenses arising from investment properties that generating rental income from:		
– Leasing of IDC properties (included in cost of sales)	–	1,251
– Leasing of other investment properties (included in other operating expenses)	1,104	1,456
– An IDC property that did not generate rental income (included in general and administrative expenses)	4,002	–
Loss/(Gain) on disposal of subsidiaries	<u>3,693</u>	<u>(55,300)</u>
Staff costs (including Directors' emoluments):		
Salaries and allowances [#]	51,410	57,401
Retirement benefits scheme contributions [#]	4,224	4,659
Severance payment	<u>3,465</u>	<u>1,700</u>
Total staff costs	<u>59,099</u>	<u>63,760</u>

* Depreciation of property, plant and equipment included depreciation of IDC facilities of approximately HK\$7,229,000 (2021: approximately HK\$6,512,000) was recognised as cost of sales for the year.

Staff costs included salaries and allowances and retirement benefits scheme contributions for research and development staff of approximately HK\$15,978,000 and HK\$1,967,000, respectively (2021: approximately HK\$16,699,000 and HK\$2,117,000 respectively) were recognised as general and administrative expenses for the year.

6. FINANCE COSTS

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Borrowing costs for bank and other loans	2,065	3,295
Imputed interest expenses on lease liabilities	<u>285</u>	<u>317</u>
	<u>2,350</u>	<u>3,612</u>

7. INCOME TAX EXPENSES

The taxation charged to profit or loss represents:

	2022 HK\$'000	2021 <i>HK\$'000</i>
Current tax		
Hong Kong Profit tax		
– Underprovision in respect of prior years	3	–
PRC corporate income tax		
Current year	726	2,756
Overseas withholding tax		
Current year	<u>3,046</u>	<u>2,758</u>
	<u>3,775</u>	<u>5,514</u>
Deferred taxation		
Origination and reversal of temporary differences	<u>25,227</u>	<u>(1,463)</u>
Charge for the year	<u><u>29,002</u></u>	<u><u>4,051</u></u>
Taxation recognised directly in other comprehensive income		
Deferred tax relating to revaluation of property, plant and equipment upon transfer to investment properties	<u><u>2,576</u></u>	<u><u>–</u></u>

For the years ended 31 December 2022 and 2021, Hong Kong Profits Tax has not been provided as the Group neither generate any assessable profit from Hong Kong nor its estimated assessable profits for the years were wholly absorbed by unrelieved tax losses brought forward from previous years.

The income tax provision in respect of operations in the PRC is calculated at the corporate income tax (“CIT”) rate of 25% on the estimated assessable profits for 2022 and 2021 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 10% (2021: 2.5% or 10%) respectively on condition that the annual taxable income was no more than RMB1.0 million or between RMB1.0 million to RMB3.0 million for 2022 and 2021.

The operation of the Group in the United States is subject to the United States Federal and State Income Tax. For the years ended 31 December 2022 and 2021, 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 years ended 31 December 2022 and 2021.

The Group has investment properties situated in the PRC and the United States which are stated at fair value. Deferred taxes are recognised on changes in fair value of investment properties in the PRC and the United States taking into account the PRC land appreciation tax and CIT payable for the investment properties located in the PRC or the Federal and the State Income Tax payable for the investment properties located in the United States upon sales of those investment properties.

8. DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: Nil).

9. LOSS PER SHARE

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

	2022 HK\$'000	2021 HK\$'000
Loss attributable to owners of the Company	<u>(290,118)</u>	<u>(172,495)</u>
	2022 '000	2021 '000
Issued ordinary shares at 1 January	2,487,705	2,073,089
Issue of new shares	<u>–</u>	<u>400,985</u>
Weighted average number of ordinary shares for basic loss per share	2,487,705	2,474,074
Weighted average number of ordinary shares for diluted loss per share	<u>2,487,705</u>	<u>2,474,074</u>
	HK\$	HK\$
Loss per share:		
– Basic	(0.12)	(0.07)
– Diluted (<i>Note</i>)	<u>(0.12)</u>	<u>(0.07)</u>

Note:

Diluted loss per share was the same as the basic loss per share for the years ended 31 December 2022 and 2021 because the potential new ordinary shares to be issued on exercise of the outstanding share options under the Company's share option scheme during the years have an anti-dilutive effect on the basic loss per share for the years.

10. LOANS RECEIVABLE

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Loans receivable from third parties	246,067	236,210
Less: Loss allowance	<u>(142,887)</u>	<u>(59,808)</u>
	<u>103,180</u>	<u>176,402</u>

At the end of the reporting period, loans receivable comprise:

- (i) A RMB90,000,000 loan to an independent third party borrower. The loan was interest-bearing at 8% per annum, repayable in December 2021 and secured by a corporate guarantee provided by an independent third party and a personal guarantee provided by a shareholder of the borrower. In 2021, the loan was extended to be repayable in September 2022 and further secured by a corporate guarantee provided by another independent third party (the “Third Guarantor”) and the collateral of the share charges of a company incorporated in the PRC which is 2.4987% owned by the Third Guarantor (the “Loan Extension”).

The Loan Extension was subject to certain conditions to be fulfilled by the borrower within 45 days from the date of the Loan Extension, being 16 December 2021 (the “Conditions”), details of which were disclosed in the Company’s announcement dated 16 December 2021. By the end of the 45 days, none of the terms under the Conditions was completed and the Loan Extension became ineffective. On 10 February 2022, the Group issued a demand letter to the borrower and the guarantors demanding repayment of the outstanding loans principal and accrued interests. On 14 February 2022, the borrower proposed a new repayment schedule of the outstanding loans and accrued interest thereon. The Group continually issued demand letters to Beijing Aihuan on 24 May 2022 and 10 October 2022, respectively. A partial repayment was made near the end of FY2022. As at the date of this announcement, no consent to the repayment schedule was reached by both parties.

At the end of the reporting period, the principal of RMB86,000,000 (equivalent to approximately HK\$96,272,000) (2021: RMB90,000,000 (equivalent to approximately HK\$110,079,000)) and accrued interest receivable of approximately HK\$18,693,000 (2021: approximately HK\$11,497,000) were recognised as loans receivable under current assets. Loss allowance of approximately HK\$114,965,000 (2021: approximately HK\$47,196,000) in respect of this credit-impaired loan receivable had been recognised at the end of the reporting period. Details of the loan were disclosed in the Company’s announcements dated 19 December 2019, 18 September 2020, 17 December 2020, 16 December 2021 and 11 February 2022 respectively.

- (ii) A HK\$41,000,000 loan to an independent third party borrower which is secured by a corporate guarantee provided by a substantial shareholder of the Company. The loan was interest-bearing at 8% per annum. During the year, accrued interest of approximately HK\$2,453,000 was repaid and the principal of HK\$41,000,000 was extended to be repayable in June 2023. Pursuant to the extension of the loan agreement, the loan is further secured by accounts receivable of the borrower of approximately HK\$18,732,000 as collateral, with other terms remain unchanged.

At the end of the reporting period, the principal of HK\$41,000,000 (2021: HK\$41,000,000) and accrued interest receivable of approximately HK\$827,000 (2021: HK\$Nil) were recognised as loans receivable under current assets. Loss allowance of approximately HK\$10,482,000 (2021: approximately HK\$1,577,000) in respect of this loan receivable had been recognised at the end of the reporting period. Details of the loan were disclosed in the Company’s announcements dated 9 December 2019, 12 December 2019, 29 June 2020, 31 December 2020, 31 December 2021 and 30 September 2022 respectively.

- (iii) A HK\$60,000,000 loan to an independent third party borrower. The loan was secured by corporate guarantees provided by two independent third parties and interest-bearing at 5% per annum. During the year, accrued interest of approximately HK\$1,000,000 was repaid and the principal of HK\$60,000,000 was extended to be repayable in March 2023. Pursuant to the extension of the loan agreement, the loan is secured by accounts receivable and deposits of the borrower of approximately HK\$55,403,000 as collateral, with other terms remain unchanged.

At the end of the reporting period, the principal of HK\$60,000,000 (2021: HK\$60,000,000) and accrued interest receivable of approximately HK\$2,756,000 (2021: approximately HK\$756,000) were recognised as loans receivable under current assets. Loss allowance of approximately HK\$14,036,000 (2021: approximately HK\$8,483,000) in respect of this loan receivable has been recognised at the end of the reporting period. Details of the loan were disclosed in the Company's announcements dated 18 March 2020, 17 June 2020, 30 September 2021 and 1 October 2022 respectively.

- (iv) A RMB10,000,000 loan to an independent third party borrower which is unsecured and interest-bearing at 5% per annum and extended to be repayable in March 2023, with other terms remain unchanged. Subsequent to the end of the reporting period, the loan was further extended to be repayable in June 2023, with other terms remain unchanged.

At the end of the reporting period, the principal of RMB10,000,000 (equivalent to approximately HK\$11,194,000) (2021: RMB10,000,000 (equivalent to approximately HK\$12,231,000)) and accrued interest receivable of approximately HK\$1,160,000 (2021: approximately HK\$647,000) were recognised as loans receivable under current assets. Loss allowance of approximately HK\$3,180,000 (2021: approximately HK\$2,552,000) in respect of this loan receivable had been recognised at the end of the reporting period.

- (v) During the year, a new loan of HK\$14,000,000 was granted to an independent third-party borrower which is unsecured, interest-bearing at 5% per annum and repayable in April 2023. At the end of the reporting period, the principal of HK\$14,000,000 and accrued interest receivable of approximately HK\$165,000 were recognised as loans receivable under current assets. Loss allowance of approximately HK\$224,000 (2021: N/A) in respect of the loan receivable had been recognised at the end of the reporting period.

11. TRADE AND OTHER RECEIVABLES AND PREPAYMENT FOR CONSTRUCTION

	<i>Note</i>	2022 HK\$'000	2021 HK\$'000
Trade receivables		91,585	60,821
Less: Loss allowance		<u>(15)</u>	<u>(15)</u>
	<i>(a)</i>	91,570	60,806
Receivables from disposal of a subsidiary	<i>(b)</i>	257	151,504
Earnest money paid for acquisition of intangible assets	<i>(c)</i>	63,808	73,385
Prepayment for acquisition of machines	<i>(d)</i>	–	84,179
Deposit paid for acquisition of investment properties	<i>(e)</i>	26,793	4,017
Other receivables, net of loss allowance		3,612	2,182
Prepayments and deposits	<i>(f)</i>	271,000	253,949
Prepayment for construction	<i>(g)</i>	<u>648</u>	<u>1,104</u>
		<u>457,688</u>	<u>631,126</u>
Current portion		423,581	540,320
Non-Current portion		<u>34,107</u>	<u>90,806</u>
		<u>457,688</u>	<u>631,126</u>

Notes:

- (a) The ageing analysis of trade receivables (net of loss allowance) by invoice date at the end of the reporting period is as follows:

	2022 HK\$'000	2021 HK\$'000
0–30 days	42,238	21,238
31–60 days	20,100	16,921
61–90 days	7,790	6,329
Over 90 days	<u>21,442</u>	<u>16,318</u>
	<u>91,570</u>	<u>60,806</u>

- (b) As at 31 December 2021, receivables from disposal of a subsidiary comprised cash consideration of approximately US\$19,424,000 (equivalent to approximately HK\$151,504,000) receivable from an independent third party in respect of the disposal of the entire equity interest of Shanghai Indeed Technology Co., Ltd (“Shanghai Indeed”). The cash consideration was payable within 5 business days after all inter-company balances in Shanghai Indeed and the Group being settled which was completed before 31 December 2021 and was fully settled in January 2022.
- (c) Earnest money of RMB57,000,000 (equivalent to approximately HK\$63,808,000) (2021: RMB60,000,000 (equivalent to approximately HK\$73,385,000)) was paid for the procurement of hash-rate capacity which was recognised as intangible assets of the Group. The earnest money will be refunded to the Group upon settlement of the remaining outstanding payables for the procurement of hash-rate capacity (note 12(c)(i)). During the year ended 31 December 2022, the Group received partial refund of RMB3,000,000 from the supplier. Details of the procurement of hash-rate capacity were disclosed in the Company’s announcements dated 14 May 2021, 31 May 2021 and 2 June 2021 respectively.

- (d) On 14 September 2021, a direct wholly-owned subsidiary of the Company, Rich Universe International Limited and Inno Century Limited, an independent third party, entered into a sales and purchase agreement for the purchase of cryptocurrency mining machines at a consideration of approximately HK\$84,179,000. As at 31 December 2021, consideration of approximately HK\$84,179,000 was paid to Inno Century Limited and recognised as prepayment under non-current assets. Details of the acquisition of machines were disclosed in the Company's announcement dated 14 September 2021. During the year ended 31 December 2022, the Group received the cryptocurrency mining machines, which is recognised as property, plant and equipment.
- (e) On 31 December 2021, an indirect wholly-owned subsidiary of the Company, Tibetan Crane (Shenzhen) Investment Company Limited* (黑頸鶴(深圳)投資有限公司) and Chengdu Hong Sheng Property Technology Company Limited* (成都洪盛產城科技有限公司), an independent third party, entered into a provisional agreement to acquire a property located in the PRC at a consideration of approximately RMB32,845,000. The property will be held to earn rental income or sell for a profit if considered appropriate. As at 31 December 2021, approximately RMB3,285,000 (equivalent to approximately HK\$4,017,000) was paid to Chengdu Hong Sheng Property Technology Company Limited and recognised as prepayment under non-current assets. During the year ended 31 December 2022, the prepayment was refunded to the Group.

During the year ended 31 December 2022, an indirect wholly-owned subsidiary of the Company, Meishan E-rich Shengda Medical Service Co., Ltd * (眉山裕睿盛達醫藥服務有限公司) and Meishan Yaoxingtianxia Business Incubator Co., Ltd* (眉山藥行天下創業孵化器有限公司), an independent third party, entered into a provisional agreement to acquire a property located in the PRC at a consideration of approximately RMB24,675,000. The property will be held to earn rental income or sell for a profit if considered appropriate. As at 31 December 2022, approximately RMB23,932,000 (equivalent to approximately HK\$26,793,000) (2021: HK\$Nil) was paid and recognised as prepayment under non-current assets. Subsequent to the end of the reporting period, the Group had completed the acquisition of the property upon obtaining the registration certificate and the property is recognised as an investment property in the consolidated financial statements.

- (f) As at 31 December 2022, approximately RMB190,082,000 (equivalent to approximately HK\$212,786,000) (2021: approximately RMB194,082,000 (equivalent to approximately HK\$237,380,000)) were paid to Zhongda Bocheng Energy Technology (Shenzhen) Limited* (中達博誠能源科技(深圳)有限公司) ("Zhongda Bocheng"), an independent third party as trading deposits for the purchase of cryptocurrency mining machines which will be held for trading purpose. On the other hand, RMB110,000,000 (equivalent to approximately HK\$123,139,000) (2021: RMB110,000,000 (equivalent to approximately HK\$134,540,000)) were received from Zhongda Bocheng as a performance bond, which is not available to set-off against the trading deposits aforesaid and recognised as other payables (note 12 (c)(ii)). Prepayment of RMB4,000,000 was refunded to the Group during the reporting period. During the year ended 31 December 2022, the Group partially terminated the purchase of cryptocurrency mining machines and the trading deposits of approximately RMB49,977,000 (equivalent to approximately HK\$55,946,000) will be refunded to the Group before June 2023 in accordance with the termination agreement signed with Zhongda Bocheng.

For the remaining prepayments of approximately RMB140,105,000 (equivalent to approximately HK\$156,840,000), the Group and Zhongda Bocheng entered into an extension agreement during the reporting period to extend the delivery of the cryptocurrency machines to December 2023.

During the year ended 31 December 2022, the Group and an independent third party (the "Vendor"), entered into a corporation agreement for a global sale project. As at 31 December 2022, the Group had paid approximately USD3,200,000 (equivalent to approximately HK\$29,496,000) (2021: HK\$Nil) as earnest money for the project (the "Earnest Money"). On 21 November 2022, the Group and the Vendor entered into a share charge agreement of which the Vendor has agreed to charge all of its interest in a wholly-owned subsidiary in respect of the Earnest Money.

- (g) In relation to the construction of US IDC, the Group has entered into a holding escrow agreement with a bank in the United States and the construction company pursuant to which the Group agrees to maintain an amount of US\$20,000,000 (equivalent to approximately HK\$156,000,000) or the amount due to the construction company, whichever is lower, in the escrow account.

At the end of the reporting period, the Group maintained approximately US\$83,000 (equivalent to approximately HK\$648,000) (2021: approximately US\$142,000 (equivalent to approximately HK\$1,104,000)) in the escrow account.

* English name for identification purpose only

12. TRADE AND OTHER PAYABLES

	<i>Note</i>	2022 HK\$'000	2021 <i>HK\$'000</i>
Trade payables	<i>(a)</i>	52,748	31,053
Contract liabilities	<i>(b)</i>	18,184	18,026
Other payables	<i>(c)</i>	269,284	267,704
Accruals		20,821	20,373
		361,037	337,156

Notes:

- (a) The ageing analysis of trade payables by invoice date at the end of the reporting period is as follows:

	2022 HK\$'000	2021 <i>HK\$'000</i>
0–30 days	42,047	16,603
31–60 days	6,338	3,187
61–90 days	1,527	10,136
Over 90 days	2,836	1,127
	52,748	31,053

The payment terms with suppliers are generally 30 to 60 days (*2021: 30 to 60 days*).

- (b) The movements (excluding those arising from increases and decreases both occurred within the same year) of contract liabilities from contracts with customers within HKFRS 15 during the year are as follows:

	2022 HK\$'000	2021 <i>HK\$'000</i>
As at 1 January	18,026	5,827
Exchange realignment	(32)	19
Recognised as revenue	(16,645)	(5,288)
Receipt of advances or recognition of receivables	16,835	17,507
Released as other net income	–	(39)
As at 31 December	18,184	18,026

As at 31 December 2022 and 2021, no contract liabilities are expected to be settled after more than 12 months.

Unsatisfied or partially unsatisfied performance obligations

All the performance obligations that are unsatisfied (or partially unsatisfied) at 31 December 2022 and 2021 are part of contracts that have an original expected duration of one year or less. Given that the Group applies the practical expedient in paragraph 121(a) of HKFRS 15, the transaction price allocated to these performance obligations is not disclosed.

(c) Included in other payables are the following balances:

- (i) Outstanding payable of RMB67,000,000 (equivalent to approximately HK\$79,748,000) (2021: RMB82,000,000 (equivalent to approximately HK\$97,041,000)) for the procurement of hash-rate capacity, which has been recognised as intangible assets of the Group since the year ended 31 December 2021. The outstanding payable, which is repayable within one year, is not available to set-off against the earnest money of RMB57,000,000 (equivalent to approximately HK\$63,808,000) (2021: RMB60,000,000 (equivalent to approximately HK\$73,385,000)) paid for the procurement of hash-rate capacity (note 11 (c)).
- (ii) A performance bond, which is repayable within one year, received from Zhongda Bocheng in relation to the purchase of cryptocurrency mining machines amounted to RMB110,000,000 (equivalent to approximately HK\$123,139,000) (2021: RMB110,000,000 (equivalent to approximately HK\$134,540,000)) (note 11 (f)).
- (iii) Outstanding payables of approximately HK\$44,128,000 (2021: Nil) for the purchase of cryptocurrency mining machines, which was recognised as property, plant and equipment of the Group as at 31 December 2022. The outstanding payable is repayable on demand.

13. SHARE CAPITAL

	Number of shares		Amount	
	2022 '000	2021 '000	2022 HK\$'000	2021 HK\$'000
Authorised:				
At beginning and end of the reporting period				
Ordinary shares of HK\$0.025 each	<u>8,000,000</u>	<u>8,000,000</u>	<u>200,000</u>	<u>200,000</u>
Issued and fully paid:				
At beginning of the reporting period				
Ordinary shares of HK\$0.025 each	<u>2,487,705</u>	<u>2,073,089</u>	<u>62,193</u>	<u>51,827</u>
Issue of new shares	<u>-</u>	<u>414,616</u>	<u>-</u>	<u>10,366</u>
At end of the reporting period				
Ordinary shares of HK\$0.025 each	<u>2,487,705</u>	<u>2,487,705</u>	<u>62,193</u>	<u>62,193</u>

Pursuant to subscription agreements dated 30 December 2020, two subscribers are existing shareholders of the Company subscribed 414,616,000 new shares at a price of HK\$0.20 per share ("Subscription"). The Subscription was completed on 12 January 2021 and the total proceeds of the Subscription amounted to approximately HK\$82,924,000, of which approximately HK\$10,366,000 was credited to share capital and the balance of approximately HK\$72,558,000 was credited to the share premium account. These shares rank pari passu with the existing shares in all respects.

14. PLEDGE OF ASSETS

At the end of the reporting period, the Group had pledged the following assets to secure the loan facilities:

	2022 HK\$'000	2021 HK\$'000
(a) Investment properties	66,652	70,682
(b) Leasehold improvements	53	77
(c) Right-of-use assets	67,001	70,695
(d) Financial assets at fair value through profit or loss	1,377	3,950
(e) Bank deposits	<u>200</u>	<u>8,827</u>

15. CAPITAL COMMITMENT

There was no capital commitment as at 31 December 2022. On 31 December 2021, an indirect wholly-owned subsidiary, Tibetan Crane (Shenzhen) Investment Company Limited* (黑頸鶴(深圳)投資有限公司) and Chengdu Hong Sheng Property Technology Company Limited* (成都洪盛產城科技有限公司), an independent third party, entered into a provisional agreement to acquire a property located in the PRC at a consideration of approximately RMB32,845,000. Details of the agreement are disclosed in note 11(e). As at 31 December 2021, approximately RMB3,285,000 (equivalent to approximately HK\$4,017,000) was paid to Chengdu Hong Sheng Property Technology Company Limited and recognised as prepayment under non-current assets. As at 31 December 2021, the Group had remaining capital commitment in respect of the aforesaid acquisition of approximately RMB29,561,000 (equivalent to approximately HK\$36,156,000). The provisional agreement was terminated during the year ended 31 December 2022.

* English name for identification purpose only

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND PROSPECT

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

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 has extensive experience in designing and manufacturing networked audio and video products, from hardware to software, from operating systems to business integration, covering a wide range of vertical applications.

Together with the nearing supply of microchips and prudent inventory management, the sales volume remains steady during the year under review. The IHA business reported approximately HK\$208.2 million for the year ended 31 December 2022 (“FY2022”), representing an increase of 48.4% against the year ended 31 December 2021 (“FY2021”). The segment loss decreased by 84.1% to approximately HK\$5.3 million as a result of the tightened cost measures on staff costs and other administrative expenses.

After the accelerated vaccination rollout programs and easing of widespread lockdowns in mainland China, capacity is being freed up due to the recovered consumer sentiment in the end markets. Segment performance improved with the rebound of sales orders and a series cost controls across the business. Considering the pressure from inflation and uncertainty posted by the economic recession of post-pandemic, the Group will continue a cautious attitude on costing and treasury management.

IDC Business

The IDC business is comprised of the development, construction, operation, mergers, acquisition and leasing out of properties and facilities used in IDC. After the disposal of Shanghai IDC, the business reported a revenue stream of approximately HK\$15.0 million for FY2022, representing downtrend of 52.3% as compared with FY2021. The segment recorded a loss of approximately HK\$11.8 million (FY2021: a profit of approximately HK\$11.4 million) for FY2022. The underperformance was attributed to the fair value losses on contingent consideration receivable from the disposal of Shanghai IDC during FY2021.

Due to the delay in obtaining the relevant certificates for the construction project of the land and property under Shanghai IDC held by Shanghai Indeed Technology Co., Ltd. (“Shanghai Indeed”) and obtaining the renewed real property certificate (“Renewed Certificate”) from the relevant land authority in the PRC (the “Reconstruction Registration”), the weighted distribution of the possible outcomes (i.e. the likelihood of receiving the contingent consideration) was reduced, leading to a further loss from the fair value of the contingent consideration receivable causing a significant impact to the segment result of FY2022. The Group continues to collaborate with the local authority on Reconstruction Registration which is expected to be completed by the second quarter of 2023. On the other hand, the senior management has closely monitored the progress and proactively negotiated with the purchaser of the Shanghai IDC, in the extension of the registration deadline.

The IDC in the United States (“US IDC”) has commenced sourcing potential customers after obtaining the certificate of occupancy during FY2022. After cautious consideration on US-China’s political tensions and overall risk assessment of the economy, the Board had changed its intended use of such property to entirely leasing out or sell for profit if appropriate and believed that it is in the interest of the Group for sustainable development. A revaluation gain of approximately HK\$53.3 million (FY2021: Nil), being the difference of fair value as at the reporting date and the date of reclassification as an investment property, was recorded for FY2022 as a result.

Investing Business

The Group’s investing segment was principally engaged in the trading of securities, investing in financial instruments including unlisted equity securities and digital assets.

During the year under review, the Group recorded a net fair value loss on financial assets (excluding contingent consideration receivable) at fair value through profit or loss of approximately HK\$32.3 million (FY2021: approximately HK\$56.7 million) for FY2022, mainly resulting from the unrealised fair value loss from the investment in a private equity company, which engaged in global aircraft leasing, trading and other related business, and the realised fair value loss on a private investment fund, which principally invested in digital assets and private equity in the high-tech sector. In light of the widespread infection of COVID-19, the aircraft industry was struck by the quarantine and flight restriction across the world, resulting in a negative impact on the performance and comparable indicators to the fair value of such investment. Other than suffering from the market condition of aircraft industry, the markets of digital assets is also under pressure of prevailing market price. Notwithstanding the foregoing, there is no material impact on the Group’s cash flows and business operations.

Following the prevailing market price of digital assets, the Group recorded a write-down of cryptocurrencies of approximately HK\$50.4 million (FY2021: Nil) for FY2022. The cryptocurrencies (inclusive of Bitcoin (“BTC”) and Ethereum (“ETH”)) were mainly generated from the hash-rate capacity and cryptocurrency mining machines acquired in 2021 and 2022, respectively, which are categorised under intangible assets and property, plant and equipment. The volatility of digital assets are price sensitive to the market conditions compared to other equity and commodity markets. Other than such volatility, the adoptions of blockchain and digital assets by the financial institutions and the open-attitudes of the government have indicated the potential room for future growth. As consistent with how the Group manage its investment and fiat-based cash and cash equivalents, the Group may increase or decrease the holding of digital asset at any time based on the view of the market and macroeconomic conditions. The Group will also continue in closely monitoring the potential regulatory influence and the market sentiment for the blockchain technology and digital assets.

To seize the investing opportunities from up and downs in the stock market and hedge the loss in other private equity and fund investments mentioned, the Group expanded its listed securities investment portfolio to include Tencent Holdings Limited (“Tencent Shares”) and Apple Inc., etc. The acquisitions of listed securities of Tencent Shares are set out in the Company’s announcements dated 28 November 2022 and 30 December 2022, respectively. The acquisitions of other listed securities do not constitute notifiable transactions under the GEM Listing Rules individually.

Leasing Business

The leasing segment of the Group comprises leasing out of properties. The segment result recorded a profit of approximately HK\$5.7 million (FY2021: approximately HK\$0.3 million) for FY2022, representing a significant increase as compared with FY2021. The result improvement is attributed by the revaluation gain (2021: revaluation loss) from the investment property located on Yuxing Industrial Park, in which reflected a growth from the increased monthly rent.

On 23 March 2022, the Group entered into a sales and purchase agreement with an independent third party for the acquisition of properties located in Meishan, Sichuan to earn stable income or sell for a profit if considered appropriate. The acquisition does not constitute notifiable transactions under the GEM Listing Rules. The acquisition was completed on 20 March 2023. Following the acquisition of the such properties, it is believed that the Group will be able to expand the revenue stream of leasing business to achieve diversified and sustainable development.

FINANCIAL REVIEW

Operating Results

Revenue and Gross Profits

During FY2022, the Group recorded approximately HK\$223.2 million (FY2021: approximately HK\$171.7 million) of revenue, representing an increase of 30.0% as compared with FY2021. The increase was mainly attributed to the market recovery after the outbreak of COVID-19. Since the Group lost a revenue stream after disposal of Shanghai IDC in FY2021 and the cost of sales in FY2022 increased by 41.7%, the Group's gross profits decreased by 17.7% from approximately HK\$33.8 million for FY2021 to approximately HK\$27.8 million for FY2022.

Other Revenue and Net Loss

The Group recorded a net loss of approximately HK\$84.8 million (FY2021: approximately HK\$76.6 million) in other revenue and net loss for FY2022, representing an increase in loss of 10.7% as compared with FY2021. The increase was mainly due to the net losses on financial assets at fair value through profit or loss of approximately HK\$97.2 million (FY2021: approximately HK\$99.9 million) resulting from the unsatisfactory performance of the Group's private equity investment amid the quarantine restriction of the COVID-19 further to the economic recession and the decrease of the possible outcome of the contingent consideration receivable from the disposal of Shanghai IDC during the year.

Changes in Fair Value of Investment Properties

The Group recognised net revaluation gain of approximately HK\$53.8 million (FY2021: net revaluation loss of approximately HK\$2.7 million) for FY2022, representing a significant increase as compared with FY2021. The net revaluation gain mainly comprised of the gain from Yuxing Industrial Park and US IDC. Given that the increment of the comparable market price, a revaluation gain of approximately HK\$0.5 million (FY2021: a revaluation loss of approximately HK\$2.7 million) was recorded on Yuxing Industrial Park for FY2022. As for the US IDC, the management reassessed its intended use of such property to lease out or sell for profit if appropriate and it is reclassified as an investment property from an owner-occupied property during the second quarter of FY2022. A revaluation gain of approximately HK\$53.3 million (FY2021: Nil), being the difference of fair value as at the reporting date and the date of reclassification as an investment property, was recorded for FY2022 as a result.

Selling and Distribution Expenses

With the ease of the prevention and control of COVID-19 on customs clearance, the logistics and shipping costs of IHA business decreased leading to the drop in selling and distribution expenses by 15.2% from approximately HK\$7.6 million for FY2021 to approximately HK\$6.4 million for FY2022.

General and Administrative Expenses

The general and administrative expenses increased by 4.6% from approximately HK\$106.3 million for FY2021 to approximately HK\$111.2 million for FY2022. 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\$15.1 million, the general and administration expenses was approximately HK\$96.1 million (FY2021: approximately HK\$106.3 million) for FY2022, representing a decrease of 9.6% as compared with FY2021. In light of the uncertainty posed by the COVID-19 pandemic, the Group tightened its corporate budgets including staff costs, rental and other corporate expense during the year under review.

Other Operating Expenses

The other operating expenses mainly comprised of the miscellaneous costs and related tax from investing and leasing activities. The Group recorded approximately HK\$1.8 million (FY2021: approximately HK\$2.3 million) of other operating expenses for FY2022, representing a decrease of 22.1% as compared with FY2021. The decline was attributable to the decrease in surcharges and related tax raised from the investing activities.

Loss Allowance on Loans Receivable

The loss allowance on loans receivable associated with its debt instruments carried at amortised cost is assessed based on the estimation of the lifetime or 12-month expected credit losses (“ECL”). As a result of the default event of the supplemental loan agreement with Beijing Aihuan Times Technology Limited* (“Beijing Aihuan”) (北京愛換時代科技股份有限公司) and further extensions of loans with the existing borrowers, the increase in credit risk caused a significant increase in loss allowance on ECL in respect of loans receivable amounting to approximately HK\$83.1 million (FY2021: approximately HK\$59.1 million) for FY2022.

Apart from the additional provision of loss allowance on loans receivable amounted to approximately HK\$67.8 million with Beijing Aihuan, the remaining increase are provision of loss allowance on loans receivable amounted to approximately HK\$15.3 million. The loans receivable with Beijing Aihuan were past due and long outstanding leading to a doubt on its recoverability. Although a repayment was made during the FY2022, it is insignificant to cover the outstanding principals and interest accrued thereon. As at the date of this announcement, no formal or legal binding settlement agreement was executed. Amid the uncertainty posed by the COVID-19 pandemic on the overall economic situation, the Directors considered a prudent and cautious approach by making full expected credit loss provision during FY2022.

Write-down of Cryptocurrencies

The cryptocurrencies held by the Group mainly comprised of BTC and ETH, which were generated from the cryptocurrency mining machines categorised under property, plant and equipment and the hash-rate capacity of mining machines categorised under intangible assets. The Group estimated the net realisable value of the cryptocurrencies with reference to their market prices in the relevant cryptocurrencies markets less the estimated costs necessary to make the sale. As a result of the price downfall during the year under review, the Group recorded a write-down of cryptocurrencies of approximately HK\$50.4 million (FY2021: Nil) for FY2022.

Finance Costs

The finance cost of the Group was approximately HK\$2.4 million for FY2022, representing the interest expenses on the bank and other borrowings. Due to the decrease in debt financing, the finance costs decreased by 34.9% from approximately HK\$3.6 million for FY2021.

Loss for the Year

As a result of the foregoing, the Group recorded a loss attributable to the owner of the Company of approximately HK\$290.1 million (FY2021: approximately HK\$172.5 million) for FY2022. Excluding the provision for loss allowance made in accordance with the HKFRS 9 that applied to financial assets (including trade and other receivables and loans receivable), the Group's loss attributable to owners of the Company was approximately HK\$207.0 million (FY2021: approximately HK\$113.4 million) for FY2022.

Liquidity and Financial Resources

As at 31 December 2022, the Group had net current assets of approximately HK\$494.4 million. The Group had cash and bank balances of approximately HK\$177.1 million and pledged bank deposits of approximately HK\$0.2 million, respectively. The financial resources were funded mainly by debt financing.

The current ratio, as calculated by dividing current assets by current liabilities, was 2.3 times (2021: 3.2 times) as at 31 December 2022. The gearing ratio, as measured by total liabilities divided by total equity, was 23.5% (2021: 19.9%) as at 31 December 2022. The Group adopts a prudent approach in cash management. Apart from certain debts including lease liabilities, bank loans and other loan, the Group did not have any material outstanding debts as at 31 December 2022. Payment to settle trade and other payables represented a significant part of the cash outflow of the Group. Taking into account the light debt leverage, the Group is able to generate cash and meet upcoming cash requirements. Hence, the Group has adequate liquidity and financial resources to meet its working capital requirements in the next twelve months from the year end date and remained at a stable and healthy level.

Capital Commitment

Saved as disclosed in note 15 to this announcement, the Group had no other capital commitment as at 31 December 2022 and 2021.

Contingent Liabilities

The Group had no contingent liabilities as at 31 December 2022 (2021: Nil).

Treasury Policies

The Group adopts a conservative approach towards its treasury policies. It strives to reduce its exposure to credit risk by performing ongoing credit evaluations of the financial conditions of its customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and commitments can meet its funding requirements.

Credit Policies

The Group has adopted a credit policy to manage and monitor the recoverability of the loans, details of which are outlined below:

- (a) **Credit risk assessment:** The Group would perform credit risk assessment before extending or granting the loans by (i) reviewing the financial reports and statements showing the net asset value of the potential or existing borrowers and other relevant financial information; and (ii) performing an assessment on the financial condition of the potential or existing guarantors, such as the type and value of assets owned by the potential or existing guarantors; and (iii) reviewing the financial positions of the existing borrowers on an annual basis.
- (b) **Security/Collateral assessment:** The Group would assess and decide the necessity and the value of security/collateral for granting or extending of each loan, whether to an individual or enterprise, on a case-by-case basis considering the factors including but not limited to the repayment history, results of public search towards the potential or existing borrower, the value and location of the assets owned by the potential or existing borrowers.
- (c) **Loan collection/Recovery:** The Group would issue overdue payment reminder to the borrower, instruct its legal advisers to issue demand letter for overdue loans, negotiate with the borrower for the repayment or settlement of the loan and/or commence legal action against the borrower. In respect of the loans not yet overdue, the Group will closely monitor for any adverse news which may trigger a default in payment.

The Board has exercised its oversight over the loans granted by the Group. Any material changes on the borrowers' financial positions from the annual assessment is required to be reported to the Board.

Among the three loan extensions during the year, assessment on the credit risk and collateral have been performed including but not limited to the re-assessment of the value of the collateral and financial position of the borrowers and guarantors.

The loan extension granted to the borrower Beijing Aihuan was subject to certain conditions to be fulfilled, details of which were disclosed in the Company's announcement dated 16 December 2021. During FY2022, neither of the terms under the conditions was completed and the loan extension became ineffective. On 10 February 2022, the Group had issued a demand letter to the borrower and the guarantors demanding repayment of all the outstanding loans principal and accrued interests (the "Overdue Balance"). On 14 February 2022, the borrower proposed a new repayment schedule of the outstanding loans and accrued interest thereon. The Group continually issued demand letters to Beijing Aihuan on 24 May 2022 and 10 October 2022, respectively. A partial repayment was made near the end of FY2022. As at the date of this announcement, no consent to the repayment schedule was reached by both parties.

Subsequent to the year ended 31 December 2022, the Group had issued another demand letter on the Overdue Balance and filing a lawsuit is considered as the next approach to recover the Overdue Balance if necessary.

Based on the actions taken by the Group, the Directors considered that the Group have strictly followed the Group's credit policies.

Charges on Group Assets

Details of charges on the Group assets are set out in note 14 to this announcement.

Capital Structure

As at 31 December 2022, the Group had shareholder's capital of approximately HK\$62,193,000 (2021: approximately HK\$62,193,000). The shareholder's capital of the Company is constituted of 2,487,704,800 shares (2021: 2,487,704,800 shares).

Issue of Listed Securities of the Company and the Use of Proceeds

A summary of the issue of listed securities by the Company during the year and the relevant use of proceeds is set out below:

Date of announcement	30 December 2020
Date of completion	12 January 2021
Name of subscriber(s)	Cedar Surplus Investments Limited and Mr. Zhu Weisha
Number of shares issued	414,616,000
Class of shares issued	Ordinary shares
Issue of price per share	HK\$0.20
Net price per share	HK\$0.199
Aggregate nominal value of share issued	HK\$10,365,400
Closing price per share on which the terms of the issue were fixed	HK\$0.199 (as at 30 December 2020)
Gross proceeds	approximately HK\$82.9 million
Net proceeds	approximately HK\$82.7 million
Reason for the issue	The Board considered that the issue of shares would provide a good opportunity to raise additional funds to be used for (i) the development of the major operating businesses of IDC; (ii) the development of the major operating businesses of IHA; and (iii) general working capital purposes.

The below table sets out the intended use of net proceeds, utilisation and the remaining balance of the net proceeds as at 31 December 2022:

	Intended use of net proceeds	Utilisation	Remaining balance as at 31 December 2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
IDC business	66,179	66,179	–
IHA business	8,272	8,272	–
General working capital	8,272	8,272	–
Total	82,723	82,723	–

The net proceeds were used according to the intentions previously disclosed by the Company and had been fully utilised as at 31 December 2022.

Saved as disclosed above, there was no other issue of listed securities of the Company during the year under review.

Significant Investments/Material Acquisitions and Disposals

Further Purchase of Mining Machines

On 16 May 2022, Rich Universe International Limited (“Rich Universe”), a direct wholly-owned subsidiary of the Company, agreed to purchase 6,832 sets of cryptocurrencies mining machines from Inno Century Limited (“Inno Century”) at a consideration of approximately HK\$60.1 million. The cryptocurrencies mining machines together with the previous acquisition on 14 September 2021 in total of 14,437 sets were delivered on May 2022. Details of the further purchase of mining machines are set out in the Company’s announcement dated 16 May 2022.

Acquisitions of Listed Securities

During the period between 28 October 2022 and 28 November 2022, the Group acquired an aggregate of 100,000 shares of Tencent Shares for an aggregate consideration of approximately HK\$20.68 million (exclusive of transaction costs). Further to such acquisition, the Group acquired an aggregate of 75,100 Tencent Shares for an aggregate consideration of approximately HK\$25.5 million (exclusive of transaction costs) during the period between 29 December 2022 and 30 December 2022. Details of the acquisitions of listed securities are set out in the Company’s announcements dated 28 November 2022 and 30 December 2022, respectively.

Saved as disclosed in this announcement, the Group had no other significant investment and no material acquisition or disposal of subsidiaries, associates and joint ventures during the year under review.

Future Plans for Material Investment and Capital Assets

There is no other plan for material investments or capital assets as at 31 December 2022.

Segment Information

An analysis of the Group’s performance for the year by business and geographical segments is set out in note 3 to this announcement.

Exposure to Fluctuations in Exchange Rates

Most of the trading transactions of the Group were denominated in Renminbi (“RMB”) and the United States dollars (“USD”). The assets of the Group mainly denominated in RMB and the remaining portions were denominated in USD and Hong Kong dollars (“HKD”). The exchange rates for USD to HKD have been relatively stable for the year. Therefore, the Group is only exposed to foreign exchange risk arising from RMB exposures, primarily concerning the HKD and USD. During the year under review, the Group recorded net exchange gains of approximately HK\$0.1 million (FY2021: losses of approximately HK\$8.0 million). As at 31 December 2022, the Group had not used any forward contracts, currency borrowings or other means to hedge its foreign currency exposure. However, the Group will constantly monitor and manage its exposure to foreign exchange risk.

Human Resources and Relations with the Employees

As at 31 December 2022, the Group had over 130 (2021: over 150) full-time employees, of which 19 (2021: 14) were based in Hong Kong and the rest were in the PRC and the United States. Staff costs of the Group amounted to approximately HK\$59.1 million (FY2021: approximately HK\$63.8 million) for FY2022. The employees of the Company's subsidiaries are employed and promoted based on their suitability for the positions offered. The salary benefit levels of the Group's employees are in line with the market rates. Employees are rewarded on a performance-related basis within the general framework of the Group's remuneration system which is reviewed annually. In addition to basic salaries, staff benefits also include medical schemes, various insurance schemes and share option schemes.

Key Risks and Uncertainties

During the year under review, 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 spread of COVID-19 pandemic and the economic crisis from pandemic recession;
- (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 limitations on the Group's digital asset investment; and
- (viii) The Group may be impacted by macroeconomic conditions resulting from the global COVID-19 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 year, 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.

DIVIDENDS

The Board does not recommend the payment of a final dividend for the year ended 31 December 2022 (2021: Nil).

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. During the year under review, the Audit Committee held five meetings for the purposes of reviewing the quarterly, interim and annual financial results and reports and significant issues on the financial reporting and compliance procedures, internal control and risk management systems, and the other matters in accordance with the Audit Committee's written terms of reference. The Group's audited annual results for the year ended 31 December 2022 have been reviewed by the Audit Committee.

SCOPE OF WORK OF MAZARS CPA LIMITED

The figures in respect of the Company's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Company's auditor, Mazars CPA Limited, to the amounts set out in the Company's audited consolidated financial statements for the Year. The work performed by Mazars CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Mazars CPA Limited on the preliminary announcement.

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 year.

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 year ended 31 December 2022 in relation to their securities dealings, if any.

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 year ended 31 December 2022, 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, except in relation to CG Code provisions F.2.2, as more particularly described below.

CG Code provision F.2.2

Pursuant to CG Code provision F.2.2, the Chairman of the Board should attend the annual general meeting ("AGM") and invite the chairman of the audit, remuneration and nomination committees to attend and be available to answer questions at the AGM. Mr. Chen Biao, an executive Director, has been performing the above duties in lieu of Mr. Li Qiang, the Chairman of the Board, who had other pre-arranged business commitments on the day of the AGM.

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

Hong Kong, 23 March 2023

* *For identification purposes only*

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; and the independent non-executive Directors are Ms. Shen Yan, Ms. Dong Hairong and Ms. Huo Qiwei.

This announcement will remain on the "Latest Listed Company Information" page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company's website at www.yuxing.com.cn.