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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)

DISCLOSEABLE TRANSACTIONS ACQUISITIONS AND DISPOSALS OF CRYPTOCURRENCIES

THE USDC ACQUISITIONS AND THE USDT ACQUISITIONS

The Board wishes to announce that during the period between 18 March 2024 and 20 March 2024, the Group conducted a series of transactions in the open market for the acquisitions of:

- (i) approximately 9.6 million units of USDC at an average price of US\$1 per unit for an aggregate value of approximately US\$9.6 million (equivalent to approximately HK\$74.6 million), exclusive of transaction costs; and
- (ii) approximately 4.8 million units of USDT at an average price of US\$1 per unit for an aggregate value of approximately US\$4.8 million (equivalent to approximately HK\$37.5 million), exclusive of transaction costs.

The consideration of each of the USDC Acquisitions and the USDT Acquisitions were settled by the conversion of the equivalent value of BTC and ETH under the BTC Disposals and the ETH Disposals.

THE BTC DISPOSALS AND THE ETH DISPOSALS

The Board wishes to announce that during the period between 18 March 2024 and 20 March 2024, the Group conducted a series of transactions in the open market for the disposals of:

- (i) approximately 113.0 units of BTC at an average price of US\$66,025 per unit for an aggregate consideration of approximately US\$7.5 million (equivalent to approximately HK\$58.2 million), exclusive of transaction costs; and
- (ii) approximately 2,012.0 units of ETH at an average price of US\$3,436 per unit for an aggregate consideration of approximately US\$6.9 million (equivalent to approximately HK\$53.9 million), exclusive of transaction costs.

The BTC and ETH being disposed under the BTC Disposals and the ETH Disposals were used for the conversion into equivalent value of USDC and USDT under the USDC Acquisitions and USDT Acquisitions.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of each of the USDC Acquisitions, the USDT Acquisitions, the BTC Disposals and the ETH Disposals is more than 5% but is less than 25%, each of the USDC Acquisitions, the USDT Acquisitions, the BTC Disposals and the ETH Disposals constitutes discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

THE USDC ACQUISITIONS AND THE USDT ACQUISITIONS

The Board wishes to announce that during the period between 18 March 2024 and 20 March 2024, the Group conducted a series of transactions in the open market for the acquisitions of:

- (i) approximately 9.6 million units of USDC at an average price of US\$1 per unit with an aggregate value of approximately US\$9.6 million (equivalent to approximately HK\$74.6 million), exclusive of transaction costs; and
- (ii) approximately 4.8 million units of USDT at an average price of US\$1 per unit for an aggregate value of approximately US\$4.8 million (equivalent to approximately HK\$37.5 million), exclusive of transaction costs.

As the USDC Acquisitions and the USDT Acquisitions were all conducted in the open market, the identities of each of the vendors of the USDC and the USDT cannot be ascertained. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, each of the vendors of the USDC and the USDT and their ultimate beneficial owner (if applicable) is an Independent Third Party.

Consideration

The consideration of each of the USDC Acquisitions and the USDT Acquisitions were settled by the conversion of the equivalent value of BTC and ETH under the BTC Disposals and the ETH Disposals.

The aggregate consideration for the USDC Acquisitions was approximately US\$9.6 million (equivalent to approximately HK\$74.6 million), which were satisfied by the conversion of approximately 104.0 units of BTC and approximately 751.0 units of ETH with the equivalent value of approximately US\$9.6 million (equivalent to approximately HK\$74.6 million).

The aggregate consideration for the USDT Acquisitions was approximately US\$4.8 million (equivalent to approximately HK\$37.5 million), which were satisfied by the conversion of approximately 9.0 units of BTC and approximately 1,261.0 units of ETH with the equivalent value of approximately US\$4.8 million (equivalent to approximately HK\$37.5 million).

Completion

Settlement of each of the USDC Acquisitions and the USDT Acquisitions took place immediately after the respective purchase orders were made and completed on the same trading date.

Information on USDC and USDT

USDC and USDT are digital currencies that are both pegged to the United States dollar and are referred to as stablecoin. Every unit of these cryptocurrencies in circulation is backed up by approximately US\$1.

THE BTC DISPOSALS AND THE ETH DISPOSALS

The Board wishes to announce that during the period between 18 March 2024 and 20 March 2024, the Group conducted a series of transactions in the open market for the disposals of:

- (i) approximately 113.0 units of BTC at an average price of US\$66,025 per unit for an aggregate consideration of approximately US\$7.5 million (equivalent to approximately HK\$58.2 million), exclusive of transaction costs; and
- (ii) approximately 2,012.0 units of ETH at an average price of US\$3,436 per unit for an aggregate consideration of approximately US\$6.9 million (equivalent to approximately HK\$53.9 million), exclusive of transaction costs.

As the BTC Disposals and the ETH Disposals were all conducted in the open market, the identities of each of the purchasers of the BTC and the ETH cannot be ascertained. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, each of the purchasers of the BTC and the ETH and their ultimate beneficial owner (if applicable) is an Independent Third Party.

Consideration

The BTC and ETH being disposed under the BTC Disposals and the ETH Disposals were used for the conversion into equivalent value of USDC and USDT under the USDC Acquisitions and USDT Acquisitions.

The aggregate consideration for the BTC Disposals was approximately US\$7.5 million (equivalent to approximately HK\$58.2 million), which were satisfied by the conversion of approximately 6.9 million units of USDC and approximately 0.6 million units of USDT with the equivalent value of approximately US\$7.5 million (equivalent to approximately HK\$58.2 million).

The aggregate consideration for the ETH Disposals was approximately US\$6.9 million (equivalent to approximately HK\$53.9 million), which were satisfied by the conversion of approximately 2.7 million units of USDC and approximately 4.2 million units of USDT with the equivalent value of approximately US\$6.9 million (equivalent to approximately HK\$53.9 million).

Completion

Settlement of the BTC Disposals and the ETH Disposals took place immediately after the respective sale orders were made and completed on the same trading date.

Assets being disposed of

Approximately 113.0 units of BTC and approximately 2,012.0 units of ETH

BTC and ETH respectively ranks as the first and second in the cryptocurrencies market in terms of market capitalisation. They are considered as the most widely accepted and recognised cryptocurrencies in the world.

MANNER OF THE ACQUISITIONS AND DISPOSALS OF CRYPTOCURRENCIES

Each of the Acquisitions of Cryptocurrencies and the Disposals of Cryptocurrencies was conducted on regulated and licensed trading platforms, including but not limited to OSL, which is a virtual asset trading platform operated by OSL Digital Securities Limited and licensed by the Securities and Futures Commission of Hong Kong (CE Reference: BPJ213).

FINANCIAL IMPACT OF THE DISPOSALS OF CRYPTOCURRENCIES

The Group is expected to recognise a gain of approximately US\$6.4 million (equivalent to approximately HK\$50.1 million) (before taxation and without deduction of expenses related to the BTC Disposals and the ETH Disposals), which is calculated based on the difference between the carrying value and the aggregate consideration for the BTC Disposals and the ETH Disposals. The actual amount of gain or loss as a result of the Disposals of Cryptocurrencies to be recorded by the Group will be subject to the review and annual audit by the auditor of the Company.

INFORMATION ON THE GROUP

The Company is an investment holding company and the Group is principally engaged in the businesses of information home appliances, internet data centre, investing and leasing.

REASONS FOR AND BENEFITS OF THE ACQUISITIONS AND THE DISPOSALS OF CRYPTOCURRENCIES

Having considered the current cryptocurrency market, the Board considers that it is the appropriate time for the Group to realise its investment in cryptocurrencies through the conversion of the BTC and ETH owned by the Group into stable coins. This represents an opportunity to allow the Group to reallocate the resources and investment portfolio.

As the Acquisitions of Cryptocurrencies and the Disposals of Cryptocurrencies were made in the open market at the prevailing market price of the USDC, the USDT, the BTC and the ETH, the Board is of the view that the terms of the Acquisitions Cryptocurrencies and the Disposals of Cryptocurrencies are fair and reasonable, and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As at the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of each of the USDC Acquisitions, the USDT Acquisitions, the BTC Disposals and the ETH Disposals is more than 5% but is less than 25%, each of the USDC Acquisitions, the USDT Acquisitions, the BTC Disposals and the ETH Disposals constitutes discloseable transactions for the Company under Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“Acquisitions of Cryptocurrencies”	collectively, the USDC Acquisitions and the USDT Acquisitions
“Board”	board of Directors
“BTC”	Bitcoin, a type of cryptocurrency that operates using blockchain technology
“BTC Disposals”	the disposals of an aggregate of approximately 113.0 units of BTC between 18 March 2024 and 20 March 2024
“Company”	Yuxing InfoTech Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on GEM (Stock Code: 8005)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Disposals of Cryptocurrencies”	collectively, the BTC Disposals and the ETH Disposals
“ETH”	Ether, a type of cryptocurrency that operates using blockchain technology generated by the Ethereum platform
“ETH Disposals”	the disposals of an aggregate of approximately 2,012.0 units of ETH between 18 March 2024 and 20 March 2024
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party/(ies)”	person(s) who, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“USDC”	USD Coin, a cryptocurrency issued by regulated financial institutions, backed by fully reserved assets, redeemable on a 1:1 basis for US dollars
“USDC Acquisitions”	the acquisitions of an aggregate of approximately 9.6 million units of USDC between 18 March 2024 and 20 March 2024
“USDT”	Tether USD, a cryptocurrency stablecoin launched in 2014
“USDT Acquisitions”	the acquisitions of an aggregate of approximately 4.8 million units of USDT between 18 March 2024 and 20 March 2024
“%”	per cent.

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

Hong Kong, 20 March 2024

* *For identification purposes only*

As at the date hereof, the executive Directors of the Company 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 of the Company are Ms. Shen Yan, Ms. Dong Hairong and Ms. Huo Qiwei.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief 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.

This announcement will remain on the “Latest Company Announcements” 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.