



# 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)

## INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2025

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### HIGHLIGHTS FOR THE SIX-MONTH PERIOD

- For the six months ended 30 June 2025, revenue of the Group was HK\$45.0 million, representing a decrease of 62.8% as compared with the same period of the last fiscal year. The Group recorded the gross profit of HK\$16.5 million for the six months ended 30 June 2025 (30 June 2024: HK\$37.7 million).
- Loss attributable to owners of the Company for the six months ended 30 June 2025 amounted to HK\$30.0 million (30 June 2024: profit of HK\$53.2 million).
- Basic loss per share for the six months ended 30 June 2025 was HK1.21 cents (30 June 2024: basic earnings per share of HK2.14 cents).
- Total equity attributable to owners of the Company as at 30 June 2025 was HK\$1,611.0 million (31 December 2024: HK\$1,639.0 million) or net assets per share of HK\$0.65 (31 December 2024: HK\$0.66).
- The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

## INTERIM RESULTS

The board of Directors of the Company (the “Board”) is pleased to announce the unaudited condensed consolidated interim financial statements of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 June 2025 together with the comparative figures for the same periods in 2024, prepared in accordance with generally accepted accounting principles in Hong Kong, as follows:

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

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Note</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
Revenue	4	<b>44,974</b>	120,737
Cost of sales		<u><b>(28,428)</b></u>	<u>(83,080)</u>
Gross profit		<b>16,546</b>	37,657
Other revenue and net income	4	<b>11,680</b>	76,863
Distribution and selling expenses		<b>(959)</b>	(2,873)
General and administrative expenses		<b>(48,756)</b>	(50,833)
Other operating expenses		<b>(1,058)</b>	(8,072)
Net changes in fair value of investment properties		<u><b>(5,738)</b></u>	<u>574</u>
(Loss)/Profit from operations		<b>(28,285)</b>	53,316
Finance costs	5	<b>(171)</b>	(288)
Share of results of associates		<u><b>(1,438)</b></u>	<u>(387)</u>
(Loss)/Profit before tax	6	<b>(29,894)</b>	52,641
Income tax expenses	7	<u><b>(176)</b></u>	<u>(152)</u>
(Loss)/Profit for the period		<u><b>(30,070)</b></u>	<u>52,489</u>
<b>(Loss)/Profit attributable to:</b>			
Owners of the Company		<b>(29,992)</b>	53,157
Non-controlling interests		<u><b>(78)</b></u>	<u>(668)</u>
		<u><b>(30,070)</b></u>	<u>52,489</u>
(Loss)/Earnings per share	9		
– Basic		<b>(1.21) cents</b>	2.14 cents
– Diluted		<u><b>(1.21) cents</b></u>	<u>2.14 cents</u>

# CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>HK\$'000</i></b>	<b><i>HK\$'000</i></b>
(Loss)/Profit for the period	<b>(30,070)</b>	52,489
Other comprehensive income/(loss):		
Items that are reclassified or may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of foreign operations	<u><b>2,021</b></u>	<u>(1,694)</u>
Total other comprehensive income/(loss) for the period	<u><b>2,021</b></u>	<u>(1,694)</u>
Total comprehensive (loss)/income for the period	<u><b>(28,049)</b></u>	<u>50,795</u>
<b>Total comprehensive (loss)/income attributable to:</b>		
Owners of the Company	<b>(27,971)</b>	51,463
Non-controlling interests	<u><b>(78)</b></u>	<u>(668)</u>
	<u><b>(28,049)</b></u>	<u>50,795</u>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		30 June 2025 <b>HK\$'000</b> (Unaudited)	31 December 2024 <b>HK\$'000</b> (Audited)
	Note		
<b>NON-CURRENT ASSETS</b>			
Investment properties		129,375	133,132
Property, plant and equipment		64,334	63,255
Right-of-use assets		72,436	74,408
Interests in associates		14,534	10,779
Deposits paid	10	6,940	7,454
Prepayments for construction	10	16,335	12,626
Financial assets at fair value through profit or loss	11	215,721	215,085
		<b>519,675</b>	<b>516,739</b>
<b>CURRENT ASSETS</b>			
Cryptocurrencies	12	102,126	140,539
Inventories		7,659	6,083
Loans receivable	13	29,179	29,081
Trade and other receivables	10	384,907	372,209
Financial assets at fair value through profit or loss	11	7,732	1,503
Income tax recoverable		554	547
Pledged bank deposits		200	200
Cash and bank balances		18,312	34,809
		<b>550,669</b>	<b>584,971</b>
Assets classified as held-for-sale	14	850,200	850,200
		<b>1,400,869</b>	<b>1,435,171</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	15	262,008	265,164
Dividend payables		31	31
Bank and other loans	16	2,916	2,952
Lease liabilities		2,456	2,261
		<b>267,411</b>	<b>270,408</b>
<b>NET CURRENT ASSETS</b>		<b>1,133,458</b>	<b>1,164,763</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,653,133</b>	<b>1,681,502</b>
<b>NON-CURRENT LIABILITIES</b>			
Deferred tax liabilities		31,672	31,436
Income tax payable		6,192	6,192
Lease liabilities		7,899	8,455
		<b>45,763</b>	<b>46,083</b>
<b>NET ASSETS</b>		<b>1,607,370</b>	<b>1,635,419</b>
<b>EQUITY</b>			
Share capital	17	62,193	62,193
Reserves		1,548,848	1,576,819
Equity attributable to owners of the Company		1,611,041	1,639,012
Non-controlling interests		(3,671)	(3,593)
<b>TOTAL EQUITY</b>		<b>1,607,370</b>	<b>1,635,419</b>

# CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to owners of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserves	Contributed surplus	Property revaluation reserves	Translation reserves	Other reserves	Retained profits	Total		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 January 2025	62,193	280,057	8,668	234,621	84,992	4,894	2,920	960,667	1,639,012	(3,593)	1,635,419
Loss for the period	-	-	-	-	-	-	-	(29,992)	(29,992)	(78)	(30,070)
Other comprehensive income:											
Exchange differences arising on translation of foreign operations	-	-	-	-	-	2,021	-	-	2,021	-	2,021
Total other comprehensive income	-	-	-	-	-	2,021	-	-	2,021	-	2,021
Total comprehensive loss for the period	-	-	-	-	-	2,021	-	(29,992)	(27,971)	(78)	(28,049)
As at 30 June 2025	<u>62,193</u>	<u>280,057</u>	<u>8,668</u>	<u>234,621</u>	<u>84,992</u>	<u>6,915</u>	<u>2,920</u>	<u>930,675</u>	<u>1,611,041</u>	<u>(3,671)</u>	<u>1,607,370</u>
As at 1 January 2024	62,193	280,057	8,668	234,621	84,992	8,333	4,203	1,022,637	1,705,704	(4,826)	1,700,878
Profit for the period	-	-	-	-	-	-	-	53,157	53,157	(668)	52,489
Other comprehensive loss:											
Exchange differences arising on translation of foreign operations	-	-	-	-	-	(1,694)	-	-	(1,694)	-	(1,694)
Total other comprehensive loss	-	-	-	-	-	(1,694)	-	-	(1,694)	-	(1,694)
Total comprehensive income for the period	-	-	-	-	-	(1,694)	-	53,157	51,463	(668)	50,795
Transactions with owners:											
Change in ownership interest											
Acquisition of non-controlling interests without a change in control	-	-	-	-	-	-	-	-	-	(4)	(4)
Total transactions with owners	-	-	-	-	-	-	-	-	-	(4)	(4)
As at 30 June 2024	<u>62,193</u>	<u>280,057</u>	<u>8,668</u>	<u>234,621</u>	<u>84,992</u>	<u>6,639</u>	<u>4,203</u>	<u>1,075,794</u>	<u>1,757,167</u>	<u>(5,498)</u>	<u>1,751,669</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

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

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

## 2. BASIS OF PREPARATION

The Group’s unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the GEM Listing Rules. These condensed consolidated interim financial statements are unaudited but have been reviewed by the Company’s audit committee.

These unaudited condensed consolidated interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 December 2024. They have been prepared on the historical cost basis, except for investment properties and financial assets at fair value through profit or loss (“FVPL”), which are measured at fair value.

The accounting policies used in preparing these unaudited condensed consolidated interim financial statements are consistent with those used in the Group’s audited consolidated financial statements for the year ended 31 December 2024, except for the adoption of the new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) and HKASs which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 January 2025 as described below.

Amendments to HKAS 21                      Lack of Exchangeability

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

### 3. SEGMENT INFORMATION

Information reported to executive Directors and chief executive officer of the Company, being the chief operating decision-makers (“CODM”), for the purposes of resource 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:

- IHA: Sales and distribution of IHA and complementary products and provision of ancillary services
- 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 provision of distribution storage 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, unallocated other income and administrative expenses, finance costs and share of results of associates and the basis of preparing such information is consistent with that of the unaudited condensed consolidated interim financial statements.

The CODM make decisions according to the operating results of such segment. No analysis of segment asset and segment liability is presented as the CODM does not regularly review such information for the purposes of resources allocation and performance assessment. Therefore, only segment revenue and segment results are presented.

Inter-segment sales transactions are charged at prevailing market rates.



## Segment revenue and results

The following is an analysis of the Group's segment revenue and segment results by the reportable segments:

**For the six months ended 30 June 2025:**

	IHA HK\$'000	IDC HK\$'000	Investing HK\$'000	Leasing HK\$'000	Other operations HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
REVENUE	31,860	13,114	-	-	-	-	44,974
OTHER REVENUE AND NET INCOME/(LOSS)	482	-	3,424	6,702	-	(6)	10,602
NET CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES	-	-	-	(5,738)	-	-	(5,738)
Segment revenue	<u>32,342</u>	<u>13,114</u>	<u>3,424</u>	<u>964</u>	<u>-</u>	<u>(6)</u>	<u>49,838</u>
<b>RESULTS</b>							
Segment results	<u>4,133</u>	<u>(250)</u>	<u>3,009</u>	<u>(1,870)</u>	<u>(12,308)</u>	<u>-</u>	<u>(7,286)</u>
Unallocated net income							992
Interest income from bank deposits							86
Other unallocated corporate expenses							<u>(22,077)</u>
Loss from operations							(28,285)
Finance costs							(171)
Share of results of associates							<u>(1,438)</u>
Loss before tax							(29,894)
Income tax expenses							<u>(176)</u>
Loss for the period							<u><u>(30,070)</u></u>

For the six months ended 30 June 2024:

	IHA HK\$'000	IDC HK\$'000	Investing HK\$'000	Leasing HK\$'000	Other operations HK\$'000	Elimination HK\$'000	Consolidated HK\$'000
<b>REVENUE</b>	93,337	27,400	–	–	–	–	120,737
<b>OTHER REVENUE AND NET INCOME/(LOSS)</b>	54	–	66,528	8,689	–	(13)	75,258
<b>NET CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES</b>	<u>–</u>	<u>–</u>	<u>–</u>	<u>574</u>	<u>–</u>	<u>–</u>	<u>574</u>
Segment revenue	<u>93,391</u>	<u>27,400</u>	<u>66,528</u>	<u>9,263</u>	<u>–</u>	<u>(13)</u>	<u>196,569</u>
<b>RESULTS</b>							
Segment results	<u>5,083</u>	<u>13,280</u>	<u>57,595</u>	<u>6,152</u>	<u>(6,820)</u>	<u>–</u>	75,290
Unallocated net income							1,225
Interest income from bank deposits							380
Other unallocated corporate expenses							<u>(23,579)</u>
Profit from operations							53,316
Finance costs							(288)
Share of results of associates							<u>(387)</u>
Profit before tax							52,641
Income tax expenses							<u>(152)</u>
Profit for the period							<u>52,489</u>

## Geographical information

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

The following table sets out information about the geographical location of (a) the Group's revenue; and (b) other revenue and net income other than unallocated net 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 other revenue and net income is based on the location at which other revenue and net income is generated.

### (a) Revenue

	Six months ended 30 June	
	2025 HK\$'000	2024 HK\$'000
Australia	19,643	63,338
The United States	3,314	17,400
The PRC	7,940	19,557
Hong Kong	10,534	13,652
Other overseas markets	3,543	6,790
	<u>44,974</u>	<u>120,737</u>

### (b) Other revenue and net income

	Six months ended 30 June 2025			Consolidated HK\$'000
	IHA HK\$'000	Investing HK\$'000	Leasing HK\$'000	
Hong Kong	33	3,424	51	3,508
The PRC	449	–	6,568	7,017
Other overseas markets	–	–	77	77
	<u>482</u>	<u>3,424</u>	<u>6,696</u>	<u>10,602</u>

  

	Six months ended 30 June 2024			Consolidated HK\$'000
	IHA HK\$'000	Investing HK\$'000	Leasing HK\$'000	
Hong Kong	616	66,528	4	67,148
The PRC	(562)	–	8,672	8,110
	<u>54</u>	<u>66,528</u>	<u>8,676</u>	<u>75,258</u>

#### 4. REVENUE, OTHER REVENUE AND NET INCOME

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<b>Revenue</b>		
<i>Revenue recognised at a point in time under HKFRS 15:</i>		
<b>IHA:</b>		
Sale of goods	26,539	87,211
Ancillary service income	5,321	6,126
<b>IDC:</b>		
Rental income from IDC properties and facilities	13,114	27,400
	<u>44,974</u>	<u>120,737</u>
<b>Other revenue</b>		
Dividend income from listed securities	–	7
Rental income from investment properties	6,508	8,431
Interest income calculated using the effective interest method:		
Interest income from bank deposits	86	380
Interest income from loans receivable	305	1,097
	<u>6,899</u>	<u>9,915</u>
<b>Other net income</b>		
Foreign exchange gains, net	498	58
Net fair value gains on financial assets		
at fair value through profit or loss	1,177	11,574
Gain on disposal of property, plant and equipment	273	1,114
Gain on utilisation of cryptocurrencies	–	6
Gain on disposal of cryptocurrencies	2,253	53,855
Consultancy income	322	–
Sundry income	258	341
	<u>4,781</u>	<u>66,948</u>
	<u>11,680</u>	<u>76,863</u>

#### 5. FINANCE COSTS

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Borrowing costs for bank and other loans	13	213
Imputed interest expenses on lease liabilities	158	75
	<u>171</u>	<u>288</u>

## 6. (LOSS)/PROFIT BEFORE TAX

(Loss)/Profit before tax has been arrived at after charging/(crediting) the following items:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
Reversal of write-down of inventories, net	(116)	(388)
Depreciation of right-of-use assets	3,070	3,142
Depreciation of property, plant and equipment ( <i>Note</i> )	6,032	23,075
– Allocated to cost of cryptocurrencies	–	(10,402)
	<u>          </u>	<u>          </u>

*Note:*

Depreciation of property, plant and equipment for the six months ended 30 June 2025 included depreciation of IDC facilities of HK\$4,790,000 (30 June 2024: HK\$4,790,000) recognised as cost of sales for the period.

## 7. INCOME TAX EXPENSES

The taxation charged to profit or loss represents:

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
<b>Current tax expenses</b>		
PRC corporate income tax	<u>176</u>	<u>152</u>

No Hong Kong Profits Tax has been provided for the six months ended 30 June 2025 and 2024 as the Group did not have any assessable profit from Hong Kong for both periods.

The income tax provision in respect of operations in the PRC is calculated at the corporate income tax (“CIT”) rate of 25% on the estimated assessable profits for the six months ended 30 June 2025 and 2024 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 5% (30 June 2024: 5%) on condition that the annual taxable income was no more than RMB1.0 million or between RMB1.0 million to RMB3.0 million for the six months ended 30 June 2025.

The operation of the Group in the United States is subject to the United States Federal and State Income Tax. For the six months ended 30 June 2025 and 2024, 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. Withholding tax has not been provided for the six months ended 30 June 2025 and 2024 because no interest income was charged to the subsidiary during both periods.

The operation of the Group in Germany is subject to the Germany Corporate Tax and Municipal Trade Tax. For the six months ended 30 June 2025 and 2024, the Germany Corporate Tax and Municipal Trade Tax has not been provided as the Group did not generate any assessable profit in Germany.

## 8. DIVIDENDS

The Board does not recommend the payment of interim dividend for the six months ended 30 June 2025 (30 June 2024: Nil).

## 9. (LOSS)/EARNINGS PER SHARE

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

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
(Loss)/Profit attributable to owners of the Company	<b><u>(29,992)</u></b>	<b><u>53,157</u></b>
	<b>'000</b>	<b>'000</b>
Issued ordinary shares at 1 January and 30 June	<b><u>2,487,705</u></b>	<b><u>2,487,705</u></b>
Weighted average number of ordinary shares for basic (loss)/earnings per share	<b>2,487,705</b>	<b>2,487,705</b>
Weighted average number of ordinary shares for diluted (loss)/earnings per share	<b><u>2,487,705</u></b>	<b><u>2,487,705</u></b>
(Loss)/Earnings per share:		
– Basic	<b>(1.21) cents</b>	<b>2.14 cents</b>
– Diluted ( <i>Note</i> )	<b><u>(1.21) cents</u></b>	<b><u>2.14 cents</u></b>

*Note:*

Diluted (loss)/earnings per share was the same as the basic (loss)/earnings per share as there were no dilutive potential ordinary shares in existence during the six months ended 30 June 2025 and 2024.

# 10. TRADE AND OTHER RECEIVABLES AND PREPAYMENT FOR CONSTRUCTION

		30 June 2025 HK\$'000	31 December 2024 HK\$'000
	Note		
Trade receivables		67,012	63,992
Less: Loss allowance		(23,020)	(23,020)
	(a)	43,992	40,972
Receivables from disposal of a subsidiary		257	257
Earnest money paid for acquisition of intangible assets	(b)	62,500	61,555
Other receivables, net of loss allowance		21,405	10,171
Prepayments and deposits, net of loss allowance	(c)	263,693	266,708
Prepayment for construction	(d)	16,335	12,626
		<u>408,182</u>	<u>392,289</u>
Current portion		384,907	372,209
Non-current portion		<u>23,275</u>	<u>20,080</u>
		<u>408,182</u>	<u>392,289</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:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0–30 days	10,482	5,019
31–60 days	3,293	5,166
61–90 days	2,181	4,179
Over 90 days	<u>28,036</u>	<u>26,608</u>
	<u>43,992</u>	<u>40,972</u>

- (b) Earnest money of RMB57,000,000 (equivalent to HK\$62,500,000) (31 December 2024: RMB57,000,000 (equivalent to HK\$61,555,000)) was paid for the procurement of hash-rate capacity which was recognised as intangible assets of the Group in prior years. The earnest money will be refunded to the Group upon settlement of the remaining outstanding payables for the procurement of hash-rate capacity (note 15(b)(i)).

(c) Included in prepayments and deposits, net of loss allowance are the following balances:

(i) Trading deposits of a total sum of RMB190,082,000 (equivalent to HK\$208,423,000) (31 December 2024: RMB190,082,000 (equivalent to HK\$205,272,000)) 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 for the purchase of cryptocurrency mining machines which will be held for trading purpose. On the other hand, RMB110,000,000 (equivalent to HK\$120,614,000) (31 December 2024: RMB110,000,000 (equivalent to HK\$118,790,000)) 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 15(b)(ii)). The Group partially terminated the purchase of cryptocurrency mining machines and the trading deposits of RMB49,977,000 (equivalent to HK\$54,799,000) will be refunded to the Group before 31 December 2025 in accordance with the termination agreement signed with Zhongda Bocheng. For the remaining prepayments of RMB140,105,000 (equivalent to HK\$153,624,000), the Group and Zhongda Bocheng entered into an extension agreement to extend the delivery of the cryptocurrency machines to December 2025.

(ii) Earnest money of an aggregate of US\$3,200,000 (equivalent to HK\$24,960,000) (31 December 2024: US\$3,200,000 (equivalent to HK\$24,960,000)) was paid to an independent third party (the “Vendor”) for a global sale project under a corporation agreement (the “Agreement”). The interest of a wholly-owned subsidiary of the Vendor was charged as collateral of such earnest money. The Group had notified the Vendor for termination of the Agreement and is in negotiation with the Vendor in the refund of such earnest money in prior years. The Group had issued force enforcement notices to the vendor during the year ended 31 December 2024 and the reporting period.

(d) Included in prepayment for construction were prepayments mainly made for data centre facilities amounting to US\$1,205,000 (equivalent to HK\$9,400,000) (31 December 2024: US\$1,205,000 (equivalent to HK\$9,400,000)).

## 11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		30 June 2025 HK\$'000	31 December 2024 HK\$'000
	Note		
Equity securities listed in Hong Kong	(a)	26,752	25,716
Equity securities listed outside Hong Kong	(a)	493	418
Money market funds	(a)	4,134	—
Private investment fund	(b)	1,849	—
Unlisted equity securities	(c)	190,225	190,454
		<u>223,453</u>	<u>216,588</u>
Current portion		7,732	1,503
Non-current portion		<u>215,721</u>	<u>215,085</u>
		<u>223,453</u>	<u>216,588</u>

\* For identification purposes only



*Notes:*

- (a) The fair values of listed equity securities and money market funds are based on quoted market prices in active markets at the end of the reporting period.
- (b) As at 30 June 2025, the fair value of the private investment fund of HK\$1,849,000 (31 December 2024: Nil) was valued based on the net asset value of each fund unit quoted by the investment manager.
- (c) The investments in unlisted equity securities of companies incorporated in the Cayman Islands and Hong Kong of HK\$164,739,000 (31 December 2024: HK\$166,932,000) are not held for trading.

The fair value of the unlisted equity securities of HK\$25,487,000 (31 December 2024: HK\$23,522,000) traded in the Over-the-Counter market in the United States is determined with the broker quotes.

## 12. CRYPTOCURRENCIES

The amounts represented the cryptocurrencies held by the Group as at the end of the reporting period.

	<b>30 June 2025 HK\$'000</b>	31 December 2024 HK\$'000
<b>Mainstream:</b>		
Bitcoin	<b>40,548</b>	105,092
Ethereum	<b>16,676</b>	35,359
Tether USD	<b>44,894</b>	80
USD Coin	<b>8</b>	8
	<b>102,126</b>	140,539

*Note:*

At the end of the reporting period, cryptocurrencies were stated at the lower of cost and net realisable value. 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. No write-down or reversal of write-down of cryptocurrencies was recognised for the six months ended 30 June 2025 and 2024.

### 13. LOANS RECEIVABLE

	<b>30 June 2025 HK\$'000</b>	31 December 2024 HK\$'000
Loans receivable from third parties	<b>248,076</b>	247,978
Less: Loss allowance	<u>(218,897)</u>	<u>(218,897)</u>
	<b><u>29,179</u></b>	<b><u>29,081</u></b>

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

- (a) A RMB90,000,000 loan to an independent third party borrower, which was secured by a corporate guarantee provided by an independent third party and a personal guarantee provided by a shareholders of the borrower, interest-bearing at 8% per annum and was further extended to be repayable in December 2021.

A further loan extension was granted subject to certain conditions to be fulfilled by the borrower, details of which were set out in the Company's announcement dated 16 December 2021. None of the terms under the conditions was completed and the loan extension had not become effective. The Group has continually issued demand letters to the borrower since the date the loan defaulted. A partial repayment was received during the year ended 31 December 2022. Neither the interest nor the principal was settled by the borrower subsequently. 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 HK\$96,272,000) (31 December 2024: RMB86,000,000 (equivalent to HK\$96,272,000)) and accrued interest receivable of HK\$18,693,000 (31 December 2024: HK\$18,693,000) were recognised as loans receivable under current assets. Loss allowance of HK\$114,965,000 (31 December 2024: HK\$114,965,000) in respect of this credit impaired loan receivable had been recognised at the end of the reporting period. Details of the loan were set out in the Company's announcements dated 19 December 2019, 18 September 2020, 17 December 2020, 16 December 2021 and 11 February 2022 respectively.

- (b) A HK\$41,000,000 loan to an independent third party borrower, which was secured by a corporate guarantee provided by a substantial shareholder of the Company, interest-bearing at 8% per annum and was further 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 HK\$18,732,000 as collateral, with other terms remain unchanged. No further extension was granted after June 2023. The Group has continually issued demand letters to the borrower since the date the loan defaulted. As at the date of this announcement, neither the interest nor the principal was settled by the borrower and no consent to the repayment schedule was reached by both parties.

At the end of the reporting period, the principal of HK\$41,000,000 (31 December 2024: HK\$41,000,000) and accrued interest receivable of HK\$2,453,000 (31 December 2024: HK\$2,453,000) were recognised as loans receivable under current assets. Loss allowance of HK\$37,613,000 (31 December 2024: HK\$37,613,000) in respect of this loan receivable had been recognised at the end of the reporting period. Details of the loan were set out in the Company's announcements dated 9 December 2019, 12 December 2019, 29 June 2020, 31 December 2020, 31 December 2021, 30 September 2022 and 13 July 2023 respectively.

- (c) A HK\$60,000,000 loan to an independent third party borrower, which was secured by corporate guarantees provided by two independent third parties, interest-bearing at 5% per annum and was further extended to be repayable in March 2024. Pursuant to the extension of the loan agreement, the loan is secured by accounts receivable and deposits of the borrower of HK\$55,403,000 as collateral, with other terms remain unchanged.

A further loan extension was granted subject to certain conditions to be fulfilled by the borrower, details of which were set out in the Company's announcement dated 28 March 2024. None of the terms under the conditions was completed and the loan extension had not become effective. The Group has issued demand letters to the borrower since the date the loan defaulted. As at the date of this announcement, neither the interest nor the principal was settled by the borrower and no consent to the repayment schedule was reached by both parties.

At the end of the reporting period, the principal of HK\$60,000,000 (31 December 2024: HK\$60,000,000) and accrued interest receivable of HK\$1,504,000 (31 December 2024: HK\$1,504,000) were recognised as loans receivable under current assets. Loss allowance of HK\$51,106,000 (31 December 2024: HK\$51,106,000) in respect of this loan receivable had been recognised at the end of the reporting period. Details of the loan were set out in the Company's announcements dated 18 March 2020, 17 June 2020, 30 September 2021, 1 October 2022, 31 March 2023, 28 September 2023, 28 March 2024 and 3 July 2024 respectively.

- (d) A RMB10,000,000 loan to an independent third party borrower, which was unsecured, interest-bearing at 5% per annum and was further extended to be repayable in June 2023 with other terms remain unchanged. No further extension was granted after June 2023. The Group is in negotiation with the borrower to repay the remaining loan receivable and accrued interest. As at the date of this announcement, neither the interest nor the principal was settled by the borrower and no consent to the repayment schedule was reached by both parties.

At the end of the reporting period, the principal of RMB10,000,000 (equivalent to HK\$11,035,000) (31 December 2024: RMB10,000,000 (equivalent to HK\$11,035,000)) and accrued interest receivable of HK\$1,531,000 (31 December 2024: HK\$1,531,000) were recognised as loans receivable under current assets. Loss allowance of HK\$12,566,000 (31 December 2024: HK\$12,566,000) in respect of this loan receivable had been recognised at the end of the reporting period.

- (e) A HK\$14,000,000 loan to an independent third party borrower, which was unsecured, interest-bearing at 5% per annum. During the reporting period, the loan and accrued interest were partially settled, and the repayment date of the remaining balance was further extended to October 2025 with other terms remain unchanged.

At the end of the reporting period, the remaining principal of HK\$6,482,000 (31 December 2024: HK\$14,000,000) and accrued interest receivable of HK\$154,000 (31 December 2024: HK\$167,000) were recognised as loans receivable under current assets. Loss allowance of HK\$1,324,000 (31 December 2024: HK\$1,324,000) in respect of the loan receivable had been recognised at the end of the reporting period.

- (f) A RMB1,100,000 (equivalent to HK\$1,213,000) loan to an independent third party borrower, which was unsecured, interest-bearing at 12% per annum and was repayable in August 2023. No extension was granted after August 2023. The Group is in negotiation with the borrower to repay the loan receivable and accrued interest. As at the date of this announcement, neither the interest nor the principal was settled by the borrower and no consent to the repayment schedule was reached by both parties.

At the end of the reporting period, the principal of RMB1,100,000 (equivalent to HK\$1,213,000) (31 December 2024: RMB1,100,000 (equivalent to HK\$1,213,000)) and accrued interest receivable of HK\$110,000 (31 December 2024: HK\$110,000) were recognised as loans receivable under current assets. Loss allowance of HK\$1,323,000 (31 December 2024: HK\$1,323,000) in respect of this loan receivable had been recognised at the end of the reporting period.

- (g) A RMB2,000,000 (equivalent to HK\$2,193,000) loan to an independent third party borrower, which was unsecured, interest-bearing at 3.45% per annum and was repayable in February 2025. No extension was granted after February 2025. The Group is in negotiation with the borrower to repay the loan receivable and accrued interest. As at the date of this announcement, neither the interest nor the principal was settled by the borrower and no consent to the repayment schedule was reached by both parties.

At the end of the reporting period, the principal of RMB2,000,000 (equivalent to HK\$2,193,000) and accrued interest receivable of HK\$6,000 were recognised as loans receivable under current assets. No loss allowance in respect of this loan receivable had been recognised at the end of the reporting period.

- (h) A HK\$5,300,000 loan to an independent third party borrower, which was secured by a corporate guarantee provided by an independent third party, interest-bearing at 10% per annum and was repayable in June 2025. No extension was granted after June 2025. The Group is in negotiation with the borrower to repay the loan receivable and accrued interest. The Group has issued a demand letter to the borrower and the guarantor since the date of the loan defaulted. As at the date of this announcement, neither the interest nor the principal was settled by the borrower and no consent to the repayment schedule was reached by both parties.

At the end of the reporting period, the principal of HK\$5,300,000 and accrued interest receivable of HK\$129,000 were recognised as loans receivable under current assets. No loss allowance in respect of this loan receivable had been recognised at the end of the reporting period.

#### **14. ASSETS CLASSIFIED AS HELD-FOR-SALE**

On 29 May 2023, pursuant to a real property purchase and sale and escrow agreement (the “Real Property Purchase and Sale Agreement”), the Group conditionally agreed to dispose of its property consisting of (a) the real estate situated at 6580 Via Del Oro, San Jose, California 95119 and with an area of 4.725 acres; and (b) one story mission critical data center building with an area of approximately 80,158 square feet located on the land (collectively, the “Land and Property”) to Prime Data Centres, LLC (the “Purchaser”), an independent third party of the Group, at a consideration of US\$110,000,000 (equivalent to HK\$858,000,000) (the “Disposal of US-IDC”).

On 12 July 2023, the Disposal of US-IDC was approved by the shareholders in a special general meeting of the Company. Details of the Disposal of US-IDC are set out in the Company’s announcement dated 29 May 2023, the circular dated 23 June 2023 and the poll result announcement dated 12 July 2023.

The assets classified as held-for-sale of HK\$850,200,000 (31 December 2024: HK\$850,200,000) referred to the carrying amount of the Land and Properties transferring from investment properties under non-current assets. During the six months ended 30 June 2025 and subsequent to the end of the reporting period, the Group entered into certain amendments to the Real Property Purchase and Sale Agreement to extend the contingency date of the Disposal of US-IDC to 2 September 2025. Contingent upon the construction plan proposed by the Purchaser and the ongoing power supply concerns, the Disposal of US-IDC was not yet completed up to the date of approving these unaudited condensed consolidated interim financial statements. In the opinion of the Directors, there is sufficient evidence that the Group remains committed to the Disposal of US-IDC. Accordingly, the Land and Property was continued to be recognised as assets classified as held for sale in accordance with HKFRS 5 as at 30 June 2025. The Disposal of US-IDC is expected to be completed during the course of 2025.

## 15. TRADE AND OTHER PAYABLES

		30 June 2025 HK\$'000	31 December 2024 HK\$'000
	Note		
Trade payables	(a)	9,328	10,338
Contract liabilities		7,181	5,426
Other payables	(b)	229,955	220,982
Accruals		15,544	28,418
		<u>262,008</u>	<u>265,164</u>

Notes:

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

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
0–30 days	4,936	1,731
31–60 days	866	8,310
61–90 days	3,526	297
	<u>9,328</u>	<u>10,338</u>

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

- (i) Outstanding payable of RMB67,000,000 (equivalent to HK\$79,748,000) (31 December 2024: RMB67,000,000 (equivalent to HK\$79,748,000)) for the procurement of hash-rate capacity, which has been recognised as intangible assets of the Group in prior years. The outstanding payable, which is repayable on demand, is not available to set-off against the earnest money of RMB57,000,000 (equivalent to HK\$62,500,000) (31 December 2024: RMB57,000,000 (equivalent to HK\$61,555,000)) paid for the procurement of hash-rate capacity in prior years (note 10(b)).
- (ii) A performance bond, which is repayable on demand, received from Zhongda Bocheng in relation to the purchase of cryptocurrency mining machines amounted to RMB110,000,000 (equivalent to HK\$120,614,000) (31 December 2024: RMB110,000,000 (equivalent to HK\$118,790,000)) (note 10(c)(i)).
- (iii) Outstanding payables of HK\$6,804,000 (31 December 2024: HK\$8,804,000) for the purchase of cryptocurrency mining machines, which was recognised as property, plant and equipment of the Group, is repayable on demand.

## 16. BANK AND OTHER LOANS

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
<b>Current and secured</b>		
Term loans from banks with repayment on demand clause	916	952
<b>Current and unsecured</b>		
Other loan	2,000	2,000
	<u>2,916</u>	<u>2,952</u>

*Note:*

As at 30 June 2025, the bank loans carried variable interest rates ranging from 2.90% to 3.03% (31 December 2024: 3.03% to 3.53%) per annum. The bank loans are secured by the assets of the Group as set out in note 18.

## 17. SHARE CAPITAL

	Number of shares		Amount	
	30 June 2025 '000	31 December 2024 '000	30 June 2025 HK\$'000	31 December 2024 HK\$'000
<b>Authorised:</b>				
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>
<b>Issued and fully paid:</b>				
At beginning and 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>

## 18. PLEDGED ASSETS

The Group had pledged the following assets to secure the loan facilities:

	30 June 2025 HK\$'000	31 December 2024 HK\$'000
Right-of-use assets	54,393	55,895
Bank deposits	<u>200</u>	<u>200</u>

## 19. APPROVAL OF THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

The unaudited condensed consolidated interim financial statements were approved by the Board on 18 August 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

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

### **BUSINESS REVIEW AND PROSPECT**

#### **IHA Business**

The IHA business is principally engaged in sales and distribution of IHA and complementary products. Products launched by the Group in the markets include high digital set-top boxes (“STB”), hybrid dual-STB, over-the-top (“OTT”)/Internet Protocol Television (“IPTV”) STB, STB equipment with Android systems, etc. The Group 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.

The business is encountering significant competition not only from established STB manufacturers but also from dedicated streaming platforms and the growing prevalence of smart TVs in the market. As a result of declining sales orders, revenue decreased significantly by 65.9% from HK\$93.3 million for the six months ended 30 June 2024 to HK\$31.9 for the six months ended 30 June 2025 (the “Period”). With cautious risk management and prioritised cost efficiency, the IHA business reported a segment profit of HK\$4.1 million (30 June 2024: HK\$5.1 million) for the period, representing a 18.7% decrease as compared with the same period of the last fiscal year.

#### **IDC Business**

The IDC business is principally engaged in the development, construction, operation, mergers, acquisitions and leasing out of properties used as IDC and facilities used in IDC. From February 2025, the lease of the IDC in the United States (“US”), which is currently classified as assets-held-for-sale, was being deferred, leading to a 52.1% decrease in the revenue to HK\$13.1 million (30 June 2024: HK\$27.4 million) for the Period. The segment reported a loss of HK\$0.3 million (30 June 2024: profit of HK\$13.3 million) due to the decrease in revenue.

The Group conditionally agreed to dispose of the US-IDC to Prime Data Centers, LLC (the “Purchaser”), an independent third party of the Group, at a consideration of US\$110.0 million (equivalent to HK\$858.0 million) on 29 May 2023 (the “Disposal of US-IDC”). Subsequent to the reporting period, the contingency date of the Disposal of US-IDC was further extended to 2 September 2025. Contingent upon the construction plan proposed by the Purchaser and the ongoing power supply concerns, the Disposal of US-IDC was not yet completed up to the date of this announcement. The Board is closely monitoring the progress and proactively negotiating with the Purchaser to facilitate the completion of the Disposal of US-IDC.

The IDC market is poised for steady growth driven by increasing demand for cloud computing, data storage, and rapid digital transformation. Key factors include expansion of major cloud providers as well as rising adoption of IoT, AI and big data analytics. With the increasing anti-China sentiments in the US market, the business is facing operational challenges and negative market perceptions.

### **Investing Business**

The Group's investing business is principally engaged in the trading of securities and investing in financial instruments and digital assets. The Group recorded a net fair value gain on financial assets at fair value through profit or loss of HK\$1.1 million (30 June 2024: \$11.6 million) for the Period. Other than the fair value gain from listed securities, the business's performance was attributed to the realised gain from the disposal of digital assets of HK\$2.3 million (30 June 2024: HK\$53.9 million), which are set out in the Company's announcements dated 5 March 2025 and 23 June 2025, respectively.

The cryptocurrencies market has witnessed a significant price increase, reaching an all-time high in the latter half of the year. The implementation of supportive and evolving regulations has fostered greater adoption and attracted institutional interest, thereby facilitating the integration of mainstream cryptocurrencies into investment portfolios, both as treasury reserves and for diversification purposes. Looking ahead, the Board will continuously monitor the investment landscape and the inherent volatility associated with cryptocurrencies.

### **Leasing Business**

The Group's leasing business is principally engaged in the rental of properties. The business recorded HK\$6.5 million (30 June 2024: HK\$8.4 million) rental income generated from the investment properties for the Period, representing a decrease of 22.8% as compared with the same period of the last fiscal year. The business faced challenges due to a downturn in the industrial sector, resulting in a net fair value loss of HK\$5.7 million (30 June 2024: profit of HK\$0.6 million) of investment properties and further leading to a segment loss of HK\$1.9 million (30 June 2024: profit of HK\$6.2 million) for the Period.

The ongoing modernisation of the manufacturing sector enhances the regional appeal of investment properties, ensuring a steady demand for industrial leasing. The Board will proactively extend the tenancy for existing tenants and explore opportunities for new tenants.



## FINANCIAL REVIEW

### Operating Results

#### *Revenue and Gross Profit*

Due to the fierce competition in the STB markets, the Group's revenue decreased 62.8% to HK\$45.0 million (30 June 2024: HK\$120.7 million) for the Period. Gross profit decreased 56.1% to HK\$16.5 million (30 June 2024: HK\$37.7 million) as a result of the decrease in rental income generated by the US-IDC and the overall downtrend of sales orders from the IHA business.

#### *Other Revenue and Net Income*

The Group recorded a net income of HK\$11.7 million (30 June 2024: HK\$76.9 million) from other revenue and net income for the Period. The decrease was caused by the decrease in gain on disposal of cryptocurrencies of HK\$2.3 million (30 June 2024: HK\$53.9 million) as compared with the same period of the last fiscal year.

#### *Net Change in Fair Value of Investment Properties*

The Group recognised a net revaluation loss of HK\$5.7 million (30 June 2024: gain of HK\$0.6 million) on investment properties for the Period. The revaluation loss is primarily attributed to the downturn in the property market in the People's Republic of China (the "PRC"), which has led to decreased valuations in both investment properties situated in Zhongshan City and Meishan City, the PRC.

#### *Distribution and Selling Expenses*

The Group's distribution and selling expenses diminished by 66.6% to HK\$1.0 million (30 June 2024: HK\$2.9 million) for the Period. The reduction is consistent with the decline in sales order distribution within the IHA business segment.

#### *General and Administrative Expenses*

The Group's general and administrative expenses decreased by 4.1% to HK\$48.8 million (30 June 2024: HK\$50.8 million) for the Period due to the strict cost control in place.

#### *Other Operating Expenses*

The other operating expenses mainly comprised of the depreciation of property, plant and equipment (being the cryptocurrency mining machines acquired for cryptocurrencies mining not allocated to cost of cryptocurrencies), property related tax and land use tax from leasing activities and other miscellaneous cost. The Group recorded HK\$1.1 million (30 June 2024: HK\$8.1 million) of other operating expenses for the Period, representing a significant decrease of 86.9% as compared with the same period of the last fiscal year. Since the cryptocurrency mining machines were fully impaired in 2024, there was no depreciation incurred for the Period contributing to the substantial reduction in expenses.

### *Finance Costs*

The finance costs of the Group amounted to HK\$0.2 million (30 June 2024: HK\$0.3 million) for the Period, mainly comprised of the interest expenses on the bank loans. The decline of 40.4% as compared with the same period of the last fiscal year was caused by the reduction in debt financing.

### *Loss for the Period*

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of HK\$30.0 million (30 June 2024: profit of HK\$53.2 million) for the Period.

### **Liquidity and Financial Resources**

As at 30 June 2025, the Group had net current assets of HK\$1,133.5 million. The Group had cash and bank balances of HK\$18.3 million and pledged bank deposits of HK\$0.2 million respectively. The financial resources were funded mainly by the working capital from operations.

The current ratio, calculated by dividing current assets by current liabilities, was 5.2 times (31 December 2024: 5.3 times) as at 30 June 2025. The gearing ratio, as measured by total liabilities divided by total equity, was 19.5% (31 December 2024: 19.4%) as at 30 June 2025. The gearing ratio decreased as a result of the decrease on trade and other payables in relation to the daily operations. The Group adopts a prudent approach to cash management. Apart from certain debts including lease liabilities, bank and other loans, the Group did not have any material outstanding debts as at 30 June 2025. 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 balance sheet date and remain at a stable and healthy level.

### **Capital Commitment**

The Group had no other capital commitment as at 30 June 2025 (31 December 2024: Nil).

### **Contingent Liabilities**

The Group had no contingent liabilities as at 30 June 2025 (31 December 2024: Nil).

## **Charges on Group Assets**

Details of charges on the Group assets are set out in note 18 to the unaudited condensed consolidated interim financial statements in this announcement.

## **Capital Structure**

As at 30 June 2025, the Group had shareholder's capital of HK\$62.2 million (31 December 2024: HK\$62.2 million). The shareholder's capital of the Company is constituted of 2,487,704,800 shares (31 December 2024: 2,487,704,800 shares).

## **Significant Investments/Material Acquisitions and Disposals**

### *Acquisitions and Disposals of Cryptocurrencies*

During the period between 22 January 2025 and 5 March 2025, the Group conducted a series of transactions in the open market to convert 50 units of Bitcoin to 4.5 million units of Tether USD ("USDT"), and the disposals of 3.3 million units of USDT. The details of the acquisitions and disposals are set out in the Company's announcement dated 5 March 2025.

During the period between 4 August 2024 and 23 June 2025, the Group conducted a series of disposals of 1,220 units of Ethereum ("ETH") in the open market, which 785 units of ETH was converted into 2.4 million units of USDT and the remainder of 435 units of ETH being disposed of were sold for cash. The details of the acquisitions and disposals are set out in the Company's announcement dated 23 June 2025.

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 Period.

## **Future Plans for Material Investment and Capital Assets**

There is no other plan for material investments or capital assets as at 30 June 2025.

## **TREASURY POLICIES**

The Group adopts a conservative approach toward 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, trade receivables and contract assets on an ongoing basis. 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; (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 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 reminders to the borrower, instruct its legal advisers to issue demand letters 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 in the borrowers' financial positions from the annual assessment are required to be reported to the Board.

During the reporting period, credit risk assessments and collateral evaluations were conducted for both borrowers and guarantors associated with the two newly granted loans. Among of two loans overdue during the Period, the Group has sent a reminder for overdue payments and engaged in negotiations with the borrowers and guarantor to facilitate repayment or reach a settlement for the loans.

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

## KEY RISKS AND UNCERTAINTIES

During the Period, the Group endeavoured to improve the risk management system in different aspects of company strategies, business operations 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 material of the distributed products of the IHA business;
- (ii) Rapid changes in production innovation and features may increase competition and render the Group's current technologies or cause the Group of losing market share and narrower profit margins from intensification of competition;
- (iii) Customer preferences and trends from the increasing demands for streaming services, on-demand content, and smart-home integration may have a material adverse impact on the set-top box market or our business, financial condition and results of the operations;
- (iv) The impact of protectionism and unilateralism has affected the stability of the global landscape, with increasing sources of turbulence and risk points. The Group may be exposed to restrictions, sanctions or other legal or regulatory measures in different jurisdictions. The increasingly stringent regulatory environment and policies, such as licence issuance, may bring risks and challenges to the Group's business development and revenue growth;
- (v) The investments of the Group in countries and regions across the world might at present or in future be affected by changes in local, national or international political, social, legal, tax, regulatory and environmental requirements from time to time. In addition, new government policies or measures, if introducing changes in fiscal, tax, regulatory, environmental or other aspects that may affect competitiveness, could result in an additional or unforeseen increase in operating expenses and capital expenditures, produce risks to the overall return on investments of the Group, and delay or impede its business operations and hence adversely affect revenues and profits;
- (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; and
- (vii) The Group may face regulatory challenges to or limitations on the Group's digital asset investment.

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.

## **HUMAN RESOURCES AND RELATIONS WITH THE EMPLOYEES**

As at 30 June 2025, the Group has over 70 (30 June 2024: over 100) full-time employees, of which 22 (30 June 2024: 22) were based in Hong Kong and the rest were in the PRC and the US. Staff costs of the Group amounted to HK\$16.2 million (30 June 2024: HK\$20.5 million) for the Period. 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 and various insurance schemes.

## **ENVIRONMENTAL POLICIES AND PERFORMANCE**

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

## **COMPLIANCE WITH LAWS AND REGULATIONS**

The Company has been listed on 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 US. As such, the Group's operations shall comply with relevant laws and regulations in the PRC, Hong Kong and the US accordingly. During the Period, the Group has complied with all applicable laws and regulations in the PRC, Hong Kong and the US 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 US and adhere to them to ensure compliance.

## **RESERVES**

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

## **DIVIDEND**

The Board does not recommend the payment of interim dividend for the Period (30 June 2024: Nil).

## **MANAGEMENT CONTRACTS**

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

## **COMPETING INTERESTS**

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

## **CORPORATE GOVERNANCE**

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

During the Period, the Company has applied the principles and complied with the applicable code provisions of the Corporate Governance Code (the "CG Code") as set out in Part 2 of Appendix C1 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 AGM held on 18 June 2025.

## **AUDIT COMMITTEE**

The Board has established an audit committee (the "Audit Committee"). It currently comprises two independent non-executive Directors, namely Ms. Shen Yan (Chairlady) 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 external auditor, and arrangements to enable employees of the Company to raise concerns under the protection of confidentiality about possible improprieties in financial reporting, internal control or other matters of the Company.

The Group's unaudited condensed consolidated interim results for the Period have not been audited but have been reviewed by the Audit Committee pursuant to the relevant provisions contained in the CG Code. The Audit Committee was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

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

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

## **SECURITIES TRANSACTIONS BY DIRECTORS**

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

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

Hong Kong, 18 August 2025

\* *For identification purposes only*

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

*This announcement will remain on the "Latest Listed Company Information" page of the GEM website at [www.hkgem.com](http://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](http://www.yuxing.com.cn).*