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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)**

## (1) DISCLOSEABLE TRANSACTIONS AND MAJOR TRANSACTIONS IN RELATION TO ACQUISITIONS AND DISPOSALS OF CRYPTOCURRENCIES; AND (2) BREACHES OF GEM LISTING RULES

### ACQUISITIONS AND DISPOSALS OF CRYPTOCURRENCIES

References are made to the announcements of the Company dated 20 March 2024, 7 October 2024, 31 December 2024 and 5 March 2025 in relation to acquisitions and disposals of cryptocurrencies by the Company.

During the Relevant Period between 3 January 2024 and 5 March 2025, the Company conducted a series of acquisitions and disposals of cryptocurrencies (comprising BTC, ETH, USDT and USDC) in open market that, on standalone basis or when aggregated, constituted notifiable transactions under Chapter 19 of the GEM Listing Rules. The Company published announcements on 20 March 2024, 7 October 2024, 31 December 2024 and 5 March 2025 in respect of certain cryptocurrency transactions during the Relevant Period that constituted discloseable transactions under Chapter 19 of the GEM Listing Rules.

### BREACHES OF GEM LISTING RULES

In relation to the transactions of cryptocurrencies conducted during the Relevant Period, (a) certain transactions constituted major transactions in aggregated basis, where the Company did not publish announcements or sought shareholders' approval for the transactions; (b) certain transactions constituted discloseable transactions in standalone or aggregated basis, where the Company did not published announcements on the transactions; and (c) certain transactions constituted a discloseable transaction in aggregated basis, where the Company delayed the announcement of the transactions.

The Company acknowledges that the above Non-compliance Incidents constitute breaches of Chapter 19 of the GEM Listing Rules.

The Non-compliance Incidents were mainly caused by (i) the Company's deviation in understanding on the GEM Listing Rules in respect the aggregation of transactions as the Company thought that the size tests of the cryptocurrency transactions shall be calculated based on a pair basis, so that only transactions for same type of conversion are required to be aggregated; and (ii) to a lesser extent, the inadvertent omission by the accounting staff of the Company to rely on outdated size tests to verify the transaction or by the authorised dealer of the Company who made pre-order of cryptocurrency transactions but did not report the same to the finance department of the Company. The Company wishes to emphasise that all of the Non-compliance Incidents were unintentional.

## ACQUISITIONS AND DISPOSALS OF CRYPTOCURRENCIES

References are made to the announcements of the Company dated 20 March 2024, 7 October 2024, 31 December 2024 and 5 March 2025 in relation to acquisitions and disposals of cryptocurrencies by the Company.

During the Relevant Period, the Company conducted a series of acquisitions and disposals of cryptocurrencies (comprising BTC, ETH, USDT and USDC) in open market that, on standalone basis or when aggregated, constituted notifiable transactions under Chapter 19 of the GEM Listing Rules. The Company published announcements on 20 March 2024, 7 October 2024, 31 December 2024 and 5 March 2025 in respect of certain cryptocurrency transactions during the Relevant Period that constituted discloseable transactions under Chapter 19 of the GEM Listing Rules.

## BREACHES OF GEM LISTING RULES

In relation to the transactions of cryptocurrencies conducted during the Relevant Period, (a) certain transactions constituted major transactions in aggregated basis, where the Company did not publish announcements or sought shareholders' approval for the transactions; (b) certain transactions constituted discloseable transactions in standalone or aggregated basis, where the Company did not published announcements on the transactions; and (c) certain constituted a discloseable transaction in aggregated basis, where the Company delayed the announcement of the transactions (collectively the "**Non-compliance Incidents**"). Details and reasons of the Non-compliance Incidents are set out below:

## (1) Disposal of ETH (the "ETH Disposal")

| Date | Number of units disposed | Average disposal price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate disposal price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 19 March 2024 | *Standalone:*<br>346 | *Standalone:*<br>3,566 | *Standalone:*<br>1,232,938 | *Standalone:*<br>N/A | The Company disclosed the transaction on 20 March 2024, which was later than the requirement under the GEM Listing Rules. | The Company converted ETH in the amount of US$1,068,900 to USDC in the equivalent amount on 19 March 2024. |
| | *Aggregated with transactions conducted within past 12 months:*<br>876 | *Aggregated with transactions conducted within past 12 months:*<br>3,425 *(Note)* | *Aggregated with transactions conducted within past 12 months:*<br>3,000,375 | *Aggregated with transactions conducted within past 12 months:*<br>discloseable transaction | | The Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. conversion of ETH to USDC shall only be aggregated with other conversions of ETH to USDC but not to be aggregated the conversion of ETH to other cryptocurrencies such as USDT or BTC).<br><br>As of 19 March 2024, the highest applicable percentage ratio in respect of the aggregated amount of disposal of ETH to acquire USDC was under 5%. Therefore, the Company thought that there was no obligation to disclose the ETH disposal, leading to an inadvertent omission of the reporting and announcement obligations arising from the disposal on 19 March 2024. |

## (2) Disposal of BTC (the "BTC Disposal")

| Date | Number of units disposed | Average disposal price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate disposal price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 25 February 2025 | *Standalone:*<br>50 | *Standalone:*<br>89,194 | *Standalone:*<br>4,459,675 | *Standalone:*<br>discloseable transaction | The Company disclosed the transaction on 5 March 2025, which was later than the requirement under the GEM Listing Rules.<br><br>The Company did not obtain prior shareholders' approval which is required for major transaction. | The Company converted BTC in the amount of US$4,459,675 to USDT in the equivalent amount on 25 February 2025.<br><br>The Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. conversion of BTC to USDT shall only be aggregated with other conversions of BTC to USDT but not to be aggregated the conversion of BTC to other cryptocurrencies such as USDC or ETH).<br><br>As of 25 February 2025, the highest applicable percentage ratio in respect of the aggregated amount of disposal of BTC to acquire USDT was under 25%. Therefore, the Company considered that there was no obligation to obtain prior shareholders' approval in respect of the BTC disposal, leading to an inadvertent omission of the shareholders' approval obligations arising from the disposal on 25 February 2025. |
| | *Aggregated with transactions conducted within past 12 months:*<br>188 | *Aggregated with transactions conducted within past 12 months:*<br>71,809 *(Note)* | *Aggregated with transactions conducted within past 12 months:*<br>13,500,022 | *Aggregated with transactions conducted within past 12 months:*<br>major transaction | | |

| Date | Number of units disposed | Average disposal price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate disposal price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 28 February 2025 | *Standalone:*<br>50 | *Standalone:*<br>79,702 | *Standalone:*<br>3,985,087 | *Standalone:*<br>discloseable transaction | The Company did not disclose the transaction nor obtain prior shareholders' approval which are required for major transaction. | The Company converted BTC in the amount of US$3,985,087 to USDT in the equivalent amount on 28 February 2025.<br><br>Between 23 February 2025 and 25 February 2025, the market price of BTC experienced a rapid decrease, from approximately US$96,000 to US$86,000 per unit. On 27 February 2025, a then authorised dealer made a pre-order to sell BTC at US$79,700 to prevent a loss from a continuing drop in BTC. Such a pre-order was not informed to the finance department by the then authorised dealer on time due to inadvertent omission. On 28 February 2025, when the price of BTC reached US$79,702, the orders were executed automatically without reporting to the finance department.<br><br>Under the normal cryptocurrency transactions of the Company, the authorised dealer shall execute the trading instructions made by the senior management and make the trading orders on the cryptocurrency trading platforms. According to the crypto-investing procedures of the Company, the order details shall be passed to the Finance Department for cross-checking the transaction records and size tests before execution. However, due to the authorised dealer's inadvertent omission, the details of the order did not pass to the Finance Department in time. The Company was only aware of the omission until the Company prepared weekly report of cryptocurrency transactions subsequently.<br><br>Additionally, the Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. conversion of BTC to USDT shall only be aggregated with other conversions of BTC to USDT but not to be aggregated the conversion of BTC to other cryptocurrencies such as USDC or ETH).<br><br>As of 28 February 2025, the highest applicable percentage ratio in respect of the aggregated amount of disposal of BTC to acquire USDT was under 25%. Therefore, the Company considered that there was no obligation to obtain prior shareholders' approval in respect of the BTC disposal, leading to an inadvertent omission of the shareholders' approval obligations arising from the disposal on 28 February 2025. |
| | *Aggregated with transactions conducted within past 12 months:*<br>238 | *Aggregated with transactions conducted within past 12 months:*<br>73,467 *(Note)* | *Aggregated with transactions conducted within past 12 months:*<br>17,485,109 | *Aggregated with transactions conducted within past 12 months:*<br>major transaction | | |

## (3) Disposal of USDC (the "USDC Disposal")

| Date | Number of units disposed | Average disposal price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate disposal price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 18 November 2024 | *Standalone:* 2,756,999 | *Standalone:* 1 | *Standalone:* 2,756,999 | *Standalone:* discloseable transaction | The Company did not disclose the transaction which is required for discloseable transaction. | The Company converted USDC in the amount of US$2,756,999 to BTC in the equivalent amount on 18 November 2024.<br><br>The Company updated the reporting threshold of transactions at the beginning of every month based on size tests calculation under Chapter 19 of the GEM Listing Rules. The share price of the Company dropped significantly during first half of November 2024, which resulted in a substantial drop in reporting threshold. However, the Company failed to update the reporting threshold timely.<br><br>On 18 November 2024, a staff of the accounting department received proposed execution orders for the conversion of cryptocurrencies but relied on outdated size tests to verify the transaction involving the conversion of USDC amounting to US$2,756,999 to BTC in the equivalent amount and determined that the transaction did not meet the reporting threshold. Consequently, the financial department was unaware that the single transaction exceeded the 5% threshold until a weekly self-review was conducted. |
| | *Aggregated with transactions conducted within past 12 months:* 6,348,045 | *Aggregated with transactions conducted within past 12 months:* 1 *(Note)* | *Aggregated with transactions conducted within past 12 months:* 6,348,045 | *Aggregated with transactions conducted within past 12 months:* discloseable transaction | | |

## (4) Disposal of USDT (the "USDT Disposal")

| Date | Number of units disposed | Average disposal price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate disposal price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 5 August 2024 | *Standalone:* 1,352,947 | *Standalone:* 1 | *Standalone:* 1,352,947 | *Standalone:* N/A | The Company did not disclose the transaction which is required for discloseable transaction. | The Company converted USDT in the amount of US$1,352,947 to ETH in the equivalent amount on 5 August 2024.<br><br>The Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. conversion of USDT to ETH shall only be aggregated with other conversions of USDT to ETH but not to be aggregated the conversion of USDT to other cryptocurrencies such as USDC or BTC).<br><br>As of 5 August 2024, the highest applicable percentage ratio in respect of the aggregated amount of disposal of USDT to acquire ETH was under 5%. Therefore, the Company considered that there was no obligation to disclose the USDT disposal, leading to an inadvertent omission of the reporting and announcement obligations arising from the disposal on 5 August 2024. |
| | *Aggregated with transactions conducted within past 12 months:* 3,938,079 | *Aggregated with transactions conducted within past 12 months:* 1 *(Note)* | *Aggregated with transactions conducted within past 12 months:* 3,938,079 | *Aggregated with transactions conducted within past 12 months:* discloseable transaction | | |

| Date | Number of units disposed | Average disposal price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate disposal price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 5 March 2025 | *Standalone:* 2,200,000 | *Standalone:* 1 | *Standalone:* 2,200,000 | *Standalone:* discloseable transaction | The Company disclosed the transaction on 5 March 2025 but did not obtain prior shareholders' approval which is required for major transaction. | The Company converted USDT in the amount of US$2,200,000 to equivalent amount of US dollars on 5 March 2025. |
| | *Aggregated with transactions conducted within past 12 months:* 12,295,997 | *Aggregated with transactions conducted within past 12 months:* 1 *(Note)* | *Aggregated with transactions conducted within past 12 months:* 12,295,997 | *Aggregated with transactions conducted within past 12 months:* major transaction | | The Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. disposal of USDT for cash shall only be aggregated with other disposal of USDT for cash but not to be aggregated the conversion of USDT to other cryptocurrencies).<br><br>As of 5 March 2025, the highest applicable percentage ratio in respect of the aggregated amount of disposal of USDT for cash was under 25%. Therefore, the Company considered that there was no obligation to obtain prior shareholders' approval in respect of the USDT disposal, leading to an inadvertent omission of the shareholders' approval obligations arising from the disposal on 5 March 2025. |

## (5) Acquisition of BTC

| Date | Number of units acquired | Average acquisition price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate acquisition price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 4 August 2024 | *Standalone:* 10 | *Standalone:* 52,988 | *Standalone:* 529,880 | *Standalone:* N/A | The Company disclosed the transaction on 31 December 2024, which was later than the requirement under the GEM Listing Rules | The Company converted USDT in the amount of US$529,880 to BTC in the equivalent amount on 4 August 2024. |
| | *Aggregated with transactions conducted within past 12 months:* 52 | *Aggregated with transactions conducted within past 12 months:* 55,428 *(Note)* | *Aggregated with transactions conducted within past 12 months:* 2,882,279 | *Aggregated with transactions conducted within past 12 months:* discloseable transaction | | The Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. acquisition of BTC by conversion from the same amount of USDT shall only be aggregated with other acquisitions of BTC by conversion from USDT but not to be aggregated the acquisitions of BTC by conversion from USDC or ETH).<br><br>As of 4 August 2024, the highest applicable percentage ratio in respect of the aggregated amount of acquisition of BTC by conversion from USDT was under 5%. Therefore, the Company considered that there was no obligation to disclose the BTC acquisition, leading to an inadvertent omission of the reporting and announcement obligations arising from the acquisition on 4 August 2024. |

| Date | Number of units acquired | Average acquisition price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate acquisition price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 18 November 2024 | *Standalone:*<br>30 | *Standalone:*<br>91,900 | *Standalone:*<br>2,756,999 | *Standalone:*<br>discloseable transaction | The Company did not disclose the transaction which is required for discloseable transaction. | The Company updated the reporting threshold of transactions at the beginning of every month based on size tests calculation under Chapter 19 of the GEM Listing Rules. The share price of the Company dropped significantly during first half of November 2024, which resulted in a substantial drop in reporting threshold. However, the Company failed to update the reporting threshold timely. |
| | *Aggregated with transactions conducted within past 12 months:*<br>82 | *Aggregated with transactions conducted within past 12 months:*<br>68,772 *(Note)* | *Aggregated with transactions conducted within past 12 months:*<br>5,639,277 | *Aggregated with transactions conducted within past 12 months:*<br>discloseable transaction | | On 18 November 2024, a staff of the accounting department received proposed execution orders for the conversion of cryptocurrencies but relied on outdated size tests to verify the transaction involving the conversion of USDC amounting to US$2,756,999 to BTC in the equivalent amount and determined that the transaction did not meet the reporting threshold. Consequently, the financial department was unaware that the single transaction exceeded the 5% threshold until a weekly self-review was conducted. |

## (6) Acquisition of USDT

| Date | Number of units acquired | Average acquisition price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate acquisition price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 17 January 2025 | *Standalone:*<br>1,551,748 | *Standalone:*<br>1 | *Standalone:*<br>1,551,748 | *Standalone:*<br>N/A | The Company did not disclose the transaction nor obtain prior shareholders' approval which are required for major transaction. | The Company converted ETH in the amount of US$1,551,748 to USDT in the equivalent amount on 17 January 2025. |
| | *Aggregated with transactions conducted within past 12 months:*<br>10,569,371 | *Aggregated with transactions conducted within past 12 months:*<br>1 *(Note)* | *Aggregated with transactions conducted within past 12 months:*<br>10,569,371 | *Aggregated with transactions conducted within past 12 months:*<br>major transaction | | The Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. acquisition of USDT by conversion from the same amount of ETH shall only be aggregated with other acquisitions of USDT by conversion from ETH but not to be aggregated the acquisitions of USDT by conversion from BTC or USDC).<br><br>As of 17 January 2025, the highest applicable percentage ratio in respect of the aggregated amount of acquisition of USDT by conversion from ETH was under 5%. Therefore, the Company considered that there was no obligation to disclose the USDT acquisition and no obligation to obtain prior shareholders' approval, leading to an inadvertent omission of the reporting, announcement and shareholders' approval obligations arising from the acquisition on 17 January 2025. |

| Date | Number of units acquired | Average acquisition price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate acquisition price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 25 February 2025 | *Standalone:*<br>4,459,675 | *Standalone:*<br>1 | *Standalone:*<br>4,459,675 | *Standalone:*<br>discloseable transaction | The Company disclosed the transaction on 5 March 2025, which was later than the requirement under the GEM Listing Rules.<br><br>The Company did not obtain prior shareholders' approval which are required for major transaction. | The Company converted BTC in the amount of US$4,459,675 to USDT in the equivalent amount on 25 February 2025.<br><br>The Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. acquisition of USDT by conversion from the same amount of BTC shall only be aggregated with other acquisitions of USDT by conversion from BTC but not to be aggregated the acquisitions of USDT by conversion from ETH or USDC).<br><br>As of 25 February 2025, the highest applicable percentage ratio in respect of the aggregated amount of acquisition of USDT by conversion from BTC was under 25%. Therefore, the Company considered that there was no obligation to obtain prior shareholders' approval, leading to an inadvertent omission of the shareholders' approval obligations arising from the acquisition on 25 February 2025. |
| | *Aggregated with transactions conducted within past 12 months:*<br>15,029,046 | *Aggregated with transactions conducted within past 12 months:*<br>1 *(Note)* | *Aggregated with transactions conducted within past 12 months:*<br>15,029,046 | *Aggregated with transactions conducted within past 12 months:*<br>major transaction | | |

| Date | Number of units acquired | Average acquisition price per unit, exclusive of transaction costs *(US$ per unit)* | Aggregate acquisition price, exclusive of transaction cost *(US$)* | Classification under Chapter 19 of the GEM Listing Rules | Details of non-compliance | Reasons for the non-compliance |
|---|---|---|---|---|---|---|
| 28 February 2025 | *Standalone:*<br>3,985,087 | *Standalone:*<br>1 | *Standalone:*<br>3,985,087 | *Standalone:*<br>discloseable transaction | The Company did not disclose the transaction nor obtain prior shareholders' approval which are required for major transaction. | The Company converted BTC in the amount of US$3,985,087 to USDT in the equivalent amount on 28 February 2025.<br><br>The Company thought that the size tests of the cryptocurrency transactions are calculated based on a pair basis (i.e. acquisition of USDT by conversion from the same amount of BTC shall only be aggregated with other acquisitions of USDT by conversion from BTC but not to be aggregated the acquisitions of USDT by conversion from ETH or USDC).<br><br>Between 23 February 2025 and 26 February 2025, the market unit price of BTC experienced a rapid decrease, from approximately US$96,000 to US$82,000 per unit. On 27 February 2025, to protect the interests of the Group and the shareholders of the Company as a whole, the authorised dealer made a pre-order to convert BTC to USDT at US$79,700 to prevent significant loss from a continuing drop in BTC. Such pre-order was not promptly passed to the finance department by the authorised dealer on time due to inadvertent omission and urgency of the matter to prevent significant loss. On 28 February 2025, when the price of BTC reached US$79,702, the orders were executed automatically without reporting to the finance department. Therefore, the Company failed to disclose the acquisition by way of an announcement. The Company was only aware of the omission until the Company prepared weekly report of cryptocurrency transactions subsequently.<br><br>As of 25 February 2025, the highest applicable percentage ratio in respect of the aggregated amount of acquisition of USDT by conversion from BTC was under 25%. Therefore, the Company considered that there was no obligation to obtain prior shareholders' approval, leading to an inadvertent omission of the shareholders' approval obligations arising from the acquisition on 25 February 2025. |
| | *Aggregated with transactions conducted within past 12 months:*<br>19,014,133 | *Aggregated with transactions conducted within past 12 months:*<br>1 *(Note)* | *Aggregated with transactions conducted within past 12 months:*<br>19,014,133 | *Aggregated with transactions conducted within past 12 months:*<br>major transaction | | |

*Note:* The average acquisition/disposal price per unit is calculated by dividing the aggregate acquisition/disposal consideration by the number of units acquired/disposed during the past 12 months.

The Company acknowledges that the above Non-compliance Incidents constitute breaches of Chapter 19 of the GEM Listing Rules.

The Non-compliance Incidents were mainly caused by (i) the Company's deviation in understanding on the GEM Listing Rules in respect the aggregation of transactions as the Company thought that the size tests of the cryptocurrency transactions shall be calculated based on a pair basis, so that only transactions for same type of conversion are required to be aggregated; and (ii) to a lesser extent, the inadvertent omission by the accounting staff of the Company to rely on outdated size tests to verify the transaction or by the authorised dealer of the Company who made pre-order of cryptocurrency transactions but did not report the same to the finance department of the Company. The Company wishes to emphasise that all of the Non-compliance Incidents were unintentional.

Save for the transactions disclosed in the Company's announcements dated 23 June 2025 and 3 October 2025 respectively, the Company has not conducted any acquisitions or disposals of cryptocurrencies after the Relevant Period.

## ADDITIONAL INFORMATION OF NOTIFIABLE TRANSACTIONS REQUIRED TO BE DISCLOSED PURSUANT TO GEM LISTING RULES

### Identity of counterparties

As the cryptocurrency transactions contemplated under the Non-compliance Incidents were all conducted in the open market, the identities of the vendors and purchasers of the cryptocurrency transactions cannot be ascertained. To the best of Directors' knowledge, information and belief having made all reasonable enquiries, the vendors and purchasers of the cryptocurrency transactions and their ultimate beneficial owner (if applicable) is an Independent Third Party.

### Manner of cryptocurrency transactions

Each of the cryptocurrency transactions contemplated under the Non-compliance Incidents was conducted through cryptocurrencies trading platforms, namely Binance.

### Completion

Settlement of each of the cryptocurrency transactions contemplated under the Non-compliance Incidents took place immediately after the respective purchase and sale orders were made and completed on the same trading date.

**Information on cryptocurrencies**

Cryptocurrencies are digital currencies that are designed to be independent of any central regulating authorities and work through computer network using blockchain technology. The ownership is verified by digital ledger, being a computerised database, to secure and verify transaction records.

Based on the information publicly available to the Company, BTC was the first cryptocurrency released in 2009 and it is by far the world's largest cryptocurrency by market capitalisation and it is estimated that there are other 25,000 cryptocurrencies in the marketplace. ETH was launched in 2014 and it is the second largest cryptocurrency by market capitalisation.

USDT and USDC are both regarded as stablecoins that maintain a fixed exchange rate with the USD. USDT was launched in 2014 and is now the third largest cryptocurrency after BTC and ETH and it is the stablecoin with the largest market value. USDC was launched in 2018 and is backed by reserved assets including USD and euros. USDC is the second largest stablecoin by market value.

**Financial impact of the disposals of cryptocurrencies**

There will be no financial effect of the USDC Disposal and the USDT Disposal since the sale price of the disposed USDC and USDT is equivalent to the United States dollar.

For the BTC Disposal and the ETH Disposal, the Group is expected to recognise a gain of US$0.8 million (equivalent to HK$6.3 million) in aggregate (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 USDC Disposal, the USDT Disposal, the BTC Disposal and the ETH Disposal to be recorded by the Group will be subject to the review and annual audit by the auditor of the Company.

**Information of 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 cryptocurrencies between stablecoins and non-stablecoins. 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 relevant cryptocurrencies, the Board is of the view that the terms of the cryptocurrency transactions contemplated under the Non-compliance Incidents are fair and reasonable, and on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## INTERNAL CONTROL POLICIES OF THE COMPANY

The Company currently has the following internal control policies/procedures to ensure the general compliance with the GEM Listing Rules:

(a) Every time before entering into a transaction, the accounting department of the Company will do preliminary review on the terms, size and nature of the transactions, and will conduct size test calculations under Chapter 19 of the GEM Listing Rules. If the proposed consideration under a particular transaction reaches the reporting threshold, the accounting department shall report the proposed transaction to the senior management for approval. The reporting threshold is primarily determined based on the size test calculations according to Chapter 19 of the GEM Listing Rules. Specifically, the Company evaluates each of the assets ratio test, the profits ratio test, the revenue ratio test and the consideration ratio test, and calculates the bottom line of transaction value that would trigger a discloseable transaction under Chapter 19 of the GEM Listing Rules. In addition, the Company will aggregate a series of transactions conducted within a 12 month period or are otherwise related.

(b) The senior management of the Company will then review the proposed transaction in detail and ascertain with the legal advisor of the Company, as to whether the transaction constitutes any transactions subject to reporting, announcement and/or shareholders' approval under Chapter 19 of the GEM Listing Rules.

(c) If a proposed transaction is identified to constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules, the senior management will report the proposed transaction to the Board and the Board shall consider to approve the proposed transaction at a Board meeting before the Company enters into the transaction.

(d) The Company will also seek legal advice and/or other professional advice from time to time as and when it is necessary to ensure the proper compliance with the relevant requirements of the GEM Listing Rules by the Group in respect of the transactions.

(e) The accounting department will send reminder to key management, including head of operation department and the Financial Controller of the Company, and the Board on the threshold of the size tests of the Company on a monthly basis to update the key management and the Board on the latest threshold of size tests.

(f) The Company will regularly update (at least a quarterly basis) the key management, including head of operation department and the Financial Controller of the Company, and the Board on the changes of Listing Rules and the Corporate Governance Code.

(g) Directors' training is delivered to the Board and other key management, including head of operation department and the Financial Controller of the Company, at least once a year.

In particular, the Company has the following specific internal control procedures in respect of digital assets investments conducted by the Company:

(a) The Group has formed a specialised supervisory team, comprising senior management of the Company including two executive directors, namely Mr. Cong Yu and Mr. Chen Biao, and the Financial Controller of the Group, who have more than eight years of experience in investment and seven years of experience in the trading of cryptocurrencies, which will (i) review and approve each digital asset transaction conducted; (ii) closely monitor the performance of the cryptocurrencies held by the Group on a daily basis; (iii) conduct monthly assessments of the risk levels of the digital asset portfolio of the Group; and (iv) monitor the licensing and regulatory environment of the trading platforms of digital assets on a regular basis and ensure that the platforms used by the Group are secure and recognised.

(b) Size tests would be conducted by the financial department every time before entering into a transaction for each digital asset transaction performed, as well as the accumulated digital assets transactions over the past twelve months.

(c) At least one of the board of directors shall be the authorised dealer of the digital assets trading accounts to ensure that there is proper check-and-balance.

(d) Two-factor authentication is applied to the digital assets trading account login. For window log-in, each login of the authorised dealer requires a one-time password generated sent to the email maintained by the accounting department. For mobile devices log-in, each login of the authorised dealer requires one-time password generated from the application installed on the mobile devices custodied by the accounting department.

(e) The authorised signatories of the "hot wallets" comprise at least two executive directors of the Company. The private keys of the "cold wallets" were kept by one executive Director and the financial controller of the Company.

(f) The financial department maintains record of the registers of the digital asset wallets and update to the key management and the authorised signatories on a weekly basis.

## REMEDIAL ACTIONS FOR THE BREACHES OF GEM LISTING RULES

With the view to prevent future occurrences of similar non-compliance incidents, the Group will further strengthen the internal control of the Company. In particular:

(a) The Company has engaged Beijing Xinghua Caplegend CPA Limited, who is an Independent Third Party, as the external internal control advisor to review the existing internal control policies and provide recommendation on the rectification of deficiencies identified. The work scope of the internal control advisor will involve the following:

- ***Assessment of Current Internal Controls:*** (i) reviewing existing internal control policies and procedures concerning cryptocurrency transactions; and (ii) evaluating the effectiveness of controls in place to ensure compliance with GEM Listing Rules.

- ***Reporting Threshold Analysis:*** (i) analysing the reporting thresholds for transactions and ensure clarity in the criteria triggering management approval; and (ii) recommending updates to thresholds based on size test calculations.

- ***Supervisory Team Evaluation:*** (i) assessing the composition and qualifications of the specialised supervisory team overseeing cryptocurrency investments; and (ii) verifying that team members have relevant experience and competencies in cryptocurrency trading.

- ***Transaction Monitoring and Reporting:*** (i) reviewing procedures for monitoring and reporting digital asset transactions; and (ii) evaluating the frequency and accuracy of updates to the registers of digital asset wallets.

- ***Coordination and Communication:*** (i) reviewing coordination mechanisms among departments involved in cryptocurrency transactions; and (ii) proposing improvements for information exchange and reporting arrangements for notifiable transactions.

- ***Remedial Actions and Recommendations:*** (i) identifying areas for improvement based on the analysis of recent non-compliance incidents; and (ii) recommending specific remedial actions to strengthen internal controls and prevent future occurrences.

- ***Documentation and Reporting:*** (i) compiling findings and recommendations into a comprehensive report; and (ii) presenting the report to senior management and the Board, highlighting key areas for action and ongoing monitoring.

- ***Follow-Up Procedures:*** (i) establishing a framework for ongoing monitoring of the implemented controls and their effectiveness; and (ii) scheduling follow-up reviews to assess the progress of corrective actions and compliance with recommendations.

As at the date of this announcement, the internal control advisor has completed the review of the internal control policies of the Group. The key findings and recommendations of the internal control advisor, as well as the Company's responses to the recommendations, are as follows:

## A. Information and communications (internal control policy and execution, including insider information management)

| Findings | Recommendations | Management Responses |
|---|---|---|
| The existing cryptocurrency investments policies adopted in 2023 ("**2023 Policies**") do not fully address all cryptocurrency specifics and there were delayed updates in execution guidelines. Internal assessment revealed insufficient transparency between departments, short notice for inter-departmental transaction communications leading to inadequate preparation, reliance on disparate online communication platforms without a unified channel, infrequent communication between operational and management levels, and unclear communication of transaction objectives. | (a) Establish a fixed cryptocurrency investment information transmission process (including minimum advance notice periods to inform the management and acknowledgment from relevant departments before execution);<br><br>(b) Create a regular cross-department meeting mechanism, especially for major or sensitive transactions;<br><br>(c) Supplement crypto-focused policies and guidance to clarify departmental responsibilities, documentation, re-emphasise info-security process, and periodic review; and<br><br>(d) Set up a top-down and bottom-up feedback mechanism to ensure two-way communication flow. | The Company's newly revised cryptocurrency investments policies ("**2025 Policies**") are revised to clarify the responsibilities of each department, and the numbers of staff training would be enhanced.<br><br>The Company has launched a cross-department collaboration improvement plan, aiming to implement regular meetings, pre-trade notification standards in accordance with 2025 Policies, and unified communication platform usage.<br><br>The Company has implemented the structured cryptocurrency investment information transmission process in accordance with 2025 Policies. |

## B. Reporting thresholds and transaction monitoring

| Findings | Recommendations | Management Responses |
|---|---|---|
| 1. <u>Selection of cryptocurrency investment</u> | | |
| The 2023 Policies does not fully cover disclosure requirements for major and connected cryptocurrency transactions, exit mechanisms, and stop-loss conditions. | Revise the investment policies and the current digital asset policy to include:<br><br>(a) pre-investment due diligence ;<br><br>(b) investment limits and stop-loss conditions; and<br><br>(c) disclosure and shareholder approval requirements for major and connected transactions under Chapters 19 and 20 of the GEM Listing Rules. | The Company has launched commenced revisions to the 2025 Policies with implementation targeted. |

| Findings | Recommendations | Management Responses |
|---|---|---|
| 2. Approval of cryptocurrency transactions and platform management | | |
| The 2023 Policies did not cover the post-trade anomaly monitoring or ongoing platform compliance review mechanism. | (a) Implement trade anomaly monitoring alerts (e.g., unusual amounts, frequency, or timing);<br><br>(b) Perform semi-annual reassessment of platform compliance status and operational risk; and<br><br>(c) To set a clear designation of platform authorisers, trading rights, and restrictions on outbound asset transfers. | The Company has implemented the requirements under the 2025 Policies, and has performed anomaly monitoring and semi-annual platform reviews in accordance with the 2025 Policies. |
| 3. Size tests | | |
| The staff using the outdated size test method and unclear thresholds led to delays in transaction reporting. | (a) Regular review of approval thresholds and size test aligned with market data;<br><br>(b) Conduct size test checking before entering into every transactions;<br><br>(c) Set clear maximum and minimum thresholds for each cryptocurrency investment based on factors like portfolio size, risk tolerance, and market volatility;<br><br>(d) Require cross checking between finance department and execution staff and additional approval for transactions that approach or exceed certain thresholds;<br><br>(e) Maintain logs of all size test checks and approvals; and<br><br>(f) Provide updated training in relation to size test application for staff. | The Company will adopt the requirements under the 2025 Policies in relation to the recommendations and closely review the market data when a new cryptocurrency investment is suggested to be invested in the future.<br><br>The Company undertook a series of disposals of specific cryptocurrency units between 30 September 2025 and 3 October 2025, with an announcement made on 3 October 2025. The Company adhered to the requirements outlined in the 2025 Policy. |

## C. Employee training and awareness enhancement

| Findings | Recommendations | Management Responses |
|---|---|---|
| There is a lack of regular refresher courses and practical drills, resulting in inconsistent employee familiarity with asset protection, compliance disclosure, and emergency handling. | (a) Establish a mandatory annual training programme covering Listing Rule compliance disclosure and management of sensitive information; and<br><br>(b) Set up regular staff assessment plan in order to evaluate the staff performance. | The Company has prepared a training curriculum outline and launched the first round of training, ensuring that all staff are familiar with cryptocurrency investment risk control and compliance requirements.<br><br>In August and September 2025, the Company partnered with its legal advisor and the Hong Kong Institution of Directors to create a comprehensive training curriculum. This program is designed to equip all Directors with critical knowledge regarding cryptocurrency investment risk control and compliance requirements.<br><br>The training sessions aim to empower participants with the skills needed to effectively navigate the complexities of the rapidly evolving cryptocurrency landscape. |

## D. Transaction reporting between authorised dealer and finance department

| Findings | Recommendations | Management Responses |
|---|---|---|
| The authorised dealer due to personal issue did not passed the details of the order to the finance department in time. | (a) Periodic reconciliation between the authorised dealer and finance department;<br><br>(b) Strengthen the standardise transaction log on cryptocurrency transaction; and<br><br>(c) Provide staff training to improve the skills in transaction reporting. | The 2025 Policies were adopted to address the finding and recommendations. |

(b) The senior management of the Company (including executive Director Mr. Chen Biao and the Financial Controller of the Company) will, with the assistance of the internal control advisor, conduct a comprehensive review on the Company's internal control policies for identifying and reporting notifiable transactions as soon as practicable. The review of internal control policies shall include, among others, the following:

- ***Cryptocurrency transaction disclosure:*** the management will review existing policies to ensure they adequately cover all types of cryptocurrency transactions that require disclosure, including financial, operational, and related-party transactions. They will also compare the policies against the requirements under the GEM Listing Rules to ensure compliance and identify gaps.

- ***Internal communication and reporting process:*** the management will review the current processes for cryptocurrency transaction reporting across different departments (including finance, legal and operations) and conduct internal evaluation on the sharing of information and identify barriers to effective communications, which will include (i) review on existing internal communication channels; (ii) identification of common communication barriers including lack of clarity in roles and responsibilities, insufficient training and delays in information sharing; and (iii) establish improvement measures.

- ***Training and awareness programme:*** the management will evaluate the effectiveness of current training programmes in educating employees about disclosure requirements and internal controls to ensure they are well-aware of the latest regulatory requirements. The management will also arrange training sessions that include case studies, best practices regarding disclosure and reporting requirements for cryptocurrency transactions.

- ***Monitoring and reporting mechanisms:*** the management will review existing tools used for monitoring disclosures and identify opportunities for improving reporting timeliness and accuracy.

The Company has completed the review of the internal control policies as at the date of this announcement. Based on the advice of the internal control advisor, the Company has revised and adopted the 2025 Policies.

(c) The Company will prepare and frequently update the reporting threshold on at least a weekly basis, and will further enhance its day-to-day exchange of information and communication between the relevant staff, so as to avoid the recurrence of such similar incident. In any event, the Company will conduct size tests calculation every time prior to entering into a transaction.

(d) The Company will strengthen the coordination and reporting arrangements for notifiable transactions among the various departments of the Company, including the business department, accounting department, as well as the management of the Company and the Board. Subject to the review conducted by the internal control advisor, the Company intends to take several steps to enhance its handling of cryptocurrency transactions, including (i) establishing clear protocols to define notifiable transactions and developing standard operating procedures for reporting requirements under Chapter 19 of the GEM Listing Rules; (ii) conducting regular training sessions to ensure all employees understand their responsibilities and the importance of timely reporting; (iii) establishing cross-departmental task forces to oversee cryptocurrency transactions which will facilitate communication and collaboration among teams; (iv) conducting periodic audits and compliance checks will be conducted to ensure adherence to established protocols and relevant GEM Listing Rules; and (v) establishing templates and guidelines for reporting will be created to unify the reporting system across different departments to minimise misunderstandings.

The above work has been completed as at the date of this announcement.

(e) The Group will issue relevant guidance and training materials, in particular, on notifiable transactions under the GEM Listing Rules, to the relevant departments and employees of the Group. The Group will also arrange training sessions to the Directors, senior management, the senior staff of the finance and operation departments as well as newcoming staff on compliance requirements covering topics including notifiable transactions, connected transaction, continuing obligations and inside information, so as to improve the standard of corporate governance and operating management of the Company. The above training has been completed as at the date of this announcement. In addition, the Company will arrange ongoing training sessions to the relevant departments and employees of the Group annually to regularly refresh the knowledge of the staff on GEM Listing Rules.

As at the date of this announcement, all the remedial actions set out above have been completed. The Company will disclose the Non-compliance Incidents in the corporate governance report of the Company.

Since the Non-compliance Incidents were all completed as at the date of this announcement, the Company will not convene a general meeting to approve the transactions contemplated under the Non-compliance Incidents.

## TRADING AND INVESTMENT ACTIVITIES OF THE GROUP

The Group's investing business was principally engaged in the trading of securities, investing in financial instruments including listed and unlisted equity securities and digital assets. Details of the Group's investment portfolio as at 31 December 2024 were disclosed in notes 22 and 23 to the consolidated financial statements of the 2024 annual report of the Company. The investment timeframes for the Group's investments are not fixed, while acquisition and disposal are primarily determined by the market environment. The purpose of investing in digital assets is primarily for capital appreciation, while the purpose of investing in listed and unlisted equity securities is to achieve earnings in the form of capital appreciation as well as income from interest and dividends from these listed and unlisted companies in Hong Kong, China or any other countries where such investment is considered profitable. The cryptocurrencies are held for long-term appreciation, and the Company will increase or decrease the holding of cryptocurrencies at any time based on the review of the market and macroeconomic conditions. On the other hand, financial instruments are held for both long-term appreciation and short-term investment gain.

The Group's trading activities are guided by a robust investment strategy aimed at achieving capital appreciation while managing risk effectively. The primary objectives include maximising returns through a diversified portfolio and minimising exposure to market volatility. Risk management measures, such as setting stop-loss limits at which the Company will determine sell the investment to prevent further losses and diversifying investment across various digital assets and securities, are integral to safeguarding investments. Investments are conducted on both long-term and short-term bases, depending on market conditions and opportunities. Long-term investments focus on growth potential, while short-term trades capitalise on market fluctuations.

The Group has adopted the following internal control and risk management procedures for ongoing monitoring of the investments of the Group:

1. The Company's portfolio of cryptocurrencies investment only comprises of mainstream cryptocurrencies such BTC and ETH and the stablecoin of USDT and USDC. Investing in mainstream cryptocurrencies reduces exposure to the high volatility and uncertainty often associated with lesser-known cryptocurrencies. Mainstream cryptocurrencies are widely recognised and have demonstrated relative stability and liquidity, making them less susceptible to drastic price fluctuations.

2. The cryptocurrencies of BTC and ETH of the Group were originally mined from the hash-rate and mining machines owned by the Group. As such, the original costs for each unit of cryptocurrencies are comparatively lower than the market price. BTC is having an upward trend, reaching another historical high of US$123,091.61 on 14 July 2025. With the developments of favourable regulations, the Company expects BTC to increase continually in the coming two years. The Company intends to reduce the portfolio of cryptocurrencies in stages in the coming two years.

3. As a risk management policy, the Group shall only dispose the cryptocurrencies that are currently owned by the Group or to be mined from the cryptocurrency mining machines and hash-rate capacity from time to time, either by realising them into cash or converting them into another type of cryptocurrencies of equivalent value. Any acquisition of cryptocurrencies will only be financed by the proceeds from sale of cryptocurrencies by the Group. The proceeds from the sale of cryptocurrencies are stored in the cryptocurrency wallets owned and controlled by the Company. The Company maintains detailed records of all cryptocurrency transactions to accurately track inflows and outflows.

4. The total investment position/portfolio of each of the digital assets and other financial instruments (i.e. listed and unlisted equity securities) shall not exceed 10% of the total assets at the time of making the investment.

5. To mitigate risks, the Company has set up stop-loss benchmarks, pre-defined levels for profit and trailing stops in bull markets to lock in profits. The Company has set a stop-loss benchmarks at 30% below the cost of the BTC owned by the Company and will review in an ongoing manner in respect of such stop-loss benchmark based on the market environment. Additionally, the Company set pre-defined levels for profit-taking based on the book value of the investment to better monitor the profits while still enabling potential gains as the price increases. The management will also set the pre-defined levels for profit based on historical performance, industry trend, business goals and the market sentiment of the cryptocurrency to maximise the return of the investment in cryptocurrency for the benefit of the Company and its shareholders.

6. Conducting regular assessments of the investment portfolio to evaluate performance against benchmarks and objectives, and adjusting asset allocations based on market trends and economic conditions. The Company follows a systematic approach that includes analysing individual investment metrics, such as return on investment and volatility. The Company also considers macroeconomic factors and conduct scenario analysis to evaluate potential risks and rewards. Based on these insights, the investment strategy is adjusted as needed, with findings documented and reported to the responsible personnel to facilitate informed decision-making and ensure alignment with the Company's objectives.

7. Prior to making any investment, the Group conducts thorough due diligence to ensure informed decision-making, including but not limited to business valuation and financial analysis.

8. To strictly follow the reporting and approval procedures of the Group for acquisitions and disposals of investments. For each specific transaction, the accounting department of the Company will do preliminary review on size of the proposed acquisition or disposal. If the proposed acquisition or disposal of investment reaches the reporting threshold, which was determined with reference to the size tests result of the proposed acquisition or disposal pursuant Chapter 19 of the GEM Listing Rules, the accounting department shall report to the senior management for approval. The senior management shall report the same to the Board if the proposed transaction is identified to constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules so that the proposed transaction shall be considered and approved in a Board meeting.

9. For investment in digital assets, the Group will select opportune timing of purchase based on the performance and pricing of the cryptocurrency market. Before each purchase, the Group will conduct assessment on market trends, the type of cryptocurrency to be purchased, price ranges based on the average price over the past twelve months, timing of purchase influenced by macro-level policies, including market policies towards cryptocurrencies, and the suitability of the trading platform. The Group has formed a specialised supervisory team, comprising senior management of the Company including two executive directors, namely Mr. Cong Yu and Mr. Chen Biao, and the Financial Controller of the Group, who have more than eight years of experience in investment and seven years of experience in the trading of cryptocurrencies, which will (i) review and approve each digital asset transaction; (ii) closely monitor the performance of the cryptocurrencies held by the Group on a daily basis; and (iii) conduct monthly assessments of the risk levels of the cryptocurrency portfolio of the Group.

10. For investments in listed and unlisted equity securities, factors considered in arriving at an investment decision include expected return from the investment and business synergy. Investment shall first be approved by the Financial Controller and at least two executive Directors.

11. The ongoing monitoring and risk management measures to monitor cryptocurrency investments include (i) weekly reporting on investment portfolio to cover the units holding of the cryptocurrencies and market values, and weekly fluctuation; (ii) quarterly impairment assessment compared with the market price; (iii) controls tests on wallets that have not been used for 6 months; (iv) annual summary on the cryptocurrency's movements; (v) annual impairment assessment on the crypto-mining machines; and (vi) timely updates on the register of the crypto-trading exchanges and wallets held by the Company. The investment team of the Group will closely monitor the regulatory changes, news updates or regulatory crackdown (e.g. U.S. Securities and Exchange Commission lawsuits, bans in certain countries) and the preference of the markets on cryptocurrencies. The Company has consulted regularly with lawyers specialised in cryptocurrencies. In the future, the Company may also consider to engage professional asset manager to assist the Company in managing digital assets.

12. The ongoing monitoring and risk management measures to monitor financial instrument investments include (i) weekly reporting on investment portfolio to cover the shares of listed securities held by the Company and their market values; (ii) monthly updates on the month-end values in financial statements; (iii) monthly review on the performance of the investment fund; (iv) interim financial review on unlisted private equity; (v) quarterly/interim review on business updates of unlisted private equity; and (vi) business valuation on unlisted private equity every 6 months (if necessary) and 12 months. The investment team will closely monitor the Federal Reserve System policies (i.e. any interest rates impact stocks or bonds). The Company has closely monitored the macroeconomic conditions for the impact on the stock (i.e. unemployment rate, inverted yield curve).

13. The Company's executive Directors, Mr. Cong Yu and Mr. Chen Biao, together with the Financial Controller of the Company are responsible for the overall supervision the investing business of the Group. The relevant experience of Mr. Cong Yu and Mr. Chen Biao as disclosed in their biographical details are set out in the 2024 annual report of the Company. The Financial Controller of the Company has over seven years of experience in cryptocurrency investment and work experience in the cryptocurrency exchange, encompassing both non-mainstream and mainstream cryptocurrencies, as well as Over-the-Counter (OTC) trading. Her expertise is supported by a robust track record of managing diverse crypto-assets and navigating the complexities of the cryptocurrency market. She is primarily responsible for the following:

    1. *Market Monitoring:* She continuously analyses market conditions, utilizing various analytical tools and resources to assess the potential impact on the crypto-portfolio. This involves tracking price trends, market sentiment, and macroeconomic factors that could influence investment performance.

    2. *Risk Management and Reporting:* She promptly identifies and manages risk events, ensuring that all pertinent information is communicated effectively. This includes organising board meetings, compiling monthly financial reports, and maintaining weekly cryptocurrency record updates.

3. *Investment Decision Assessment:* She conducts comprehensive risk assessments for major investment decisions. This process includes evaluating potential investments, analysing historical performance, and considering regulatory developments.

The Company funded its investment through internal resources.

## DEFINITIONS

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

| | |
|---|---|
| "Board" | the board of Directors; |
| "BTC" | Bitcoin, a type of cryptocurrency that operates using blockchain technology; |
| "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; |
| "ETH" | Ether, a type of cryptocurrency that operates using blockchain technology generated by the Ethereum platform; |
| "GEM" | GEM of the Stock Exchange; |
| "GEM Listing Rules" | the Rules Governing the Listing of Securities on GEM; |
| "Group" | the Company and its subsidiaries from time to time; |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong; |
| "Hong Kong" | the Hong Kong Special Administrative Region of the PRC; |
| "Independent Third Party" | a person who, to the best knowledge and belief of the Directors having made all reasonable enquiries, is third party independent of and not connected with the Company and its connected persons; |
| "PRC" or "China" | the People's Republic of China, and for the purposes of this announcement only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan; |

| | |
|---|---|
| "Relevant Period" | means the period from 3 January 2024 to 5 March 2025 during which the Company conducted a series of acquisitions and disposals of cryptocurrencies in open market; |
| "Shareholder(s)" | shareholder(s) of the Company; |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited; |
| "US$" | United States dollars, the lawful currency of the United States; |
| "USDC" | USD Coin, a cryptocurrency issued by regulated financial institutions, backed by fully reserved assets, redeemable on a 1:1 basis for US dollars; |
| "USDT" | Tether USD, a cryptocurrency stable coin launched in 2014; and |
| "%" | per cent. |

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

Hong Kong, 12 December 2025

* *For identification purposes only*

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

*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.*