



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)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST MARCH 2018

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

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This announcement, for which the directors of Yuxing InfoTech Investment Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The directors of 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.

* For identification purposes only



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HIGHLIGHTS FOR THE THREE-MONTH PERIOD

- For the three months ended 31st March 2018, overall revenue and gross profit of the Group increased by 64.6% and 266.1% to approximately HK\$118.9 million and HK\$5.3 million, respectively as compared with the same period of last year.
- Gross profit margin of the Group has improved to 4.5% for the three months ended 31st March 2018 (three months ended 31st March 2017: 2.0%).
- Loss attributable to owners of the Company for the three months ended 31st March 2018 amounted to approximately HK\$40.1 million (three months ended 31st March 2017: approximately HK\$4.4 million). This significant increase in the loss was mainly attributable to the Group recording an imputed interest in respect of convertible bonds of approximately HK\$33.3 million for the three months ended 31st March 2018 while no such imputed interest expense was recorded for the three months ended 31st March 2017.
- Basic loss per share for the three months ended 31st March 2018 was HK2.2 cents (three months ended 31st March 2017: HK0.2 cent).
- Total equity attributable to owners of the Company as at 31st March 2018 was approximately HK\$2,409.3 million (31st December 2017: approximately HK\$2,415.6 million) or net asset value per share of HK\$1.3 (31st December 2017: HK\$1.3).
- The Board does not recommend the payment of any interim dividend for the three months ended 31st March 2018 (three months ended 31st March 2017: Nil).

THREE-MONTH RESULTS (UNAUDITED)

The board of Directors of the Company (the “Board”) is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the three months ended 31st March 2018, together with the comparative unaudited figures for the same period in 2017, prepared in accordance with generally accepted accounting principles in Hong Kong, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the three months ended 31st March 2018

		For the three months ended	
		31st March	
	Notes	2018	2017
		HK\$'000	HK\$'000
Revenue	2	118,853	72,205
Cost of sales		(113,537)	(70,753)
Gross profit		5,316	1,452
Other revenue and net income	3	20,030	31,390
Distribution and selling expenses		(3,663)	(3,937)
General and administrative expenses		(22,843)	(29,165)
Other operating expenses		(2,318)	(1,985)
Loss from operations		(3,478)	(2,245)
Finance costs		(36,644)	(2,166)
Loss before tax		(40,122)	(4,411)
Income tax expenses	4	–	–
Loss for the period		(40,122)	(4,411)
Loss attributable to:			
Owners of the Company		(40,122)	(4,411)
Non-controlling interests		–	–
		(40,122)	(4,411)
Loss per share	5		
– Basic		(2.23) cents	(0.24) cent
– Diluted		(2.23) cents	(0.24) cent

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

For the three months ended 31st March 2018

	For the three months ended 31st March	
	2018	2017
	HK\$'000	HK\$'000
Loss for the period	(40,122)	(4,411)
Other comprehensive income:		
Items that may be reclassified subsequently to profit or loss:		
Change in fair value of available-for-sale financial assets	–	68,289
Exchange differences arising on translation of PRC subsidiaries	33,825	2,676
Other comprehensive income for the period	33,825	70,965
Total comprehensive (loss)/income for the period	(6,297)	66,554
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(6,297)	66,550
Non-controlling interests	–	4
	(6,297)	66,554

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the three months ended 31st March 2018

	Attributable to owners of the Company													Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserves	Contributed surplus	Share option reserves	Investment revaluation reserves	Convertible bond reserves	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	HK\$'000	HK\$'000	HK\$'000	
As at 1st January 2018	45,077	133,249	8,668	234,621	69,439	276,848	37,676	18,835	52,208	-	1,538,958	2,415,579	-	2,415,579	
Adjustment on adoption of HKFRS 9	-	-	-	-	-	(276,848)	-	-	-	-	276,848	-	-	-	
As at 1st January 2018 (after adjustment)	45,077	133,249	8,668	234,621	69,439	-	37,676	18,835	52,208	-	1,815,806	2,415,579	-	2,415,579	
Loss for the period	-	-	-	-	-	-	-	-	-	-	(40,122)	(40,122)	-	(40,122)	
Other comprehensive income:															
Exchange differences arising on translation of PRC subsidiaries	-	-	-	-	-	-	-	-	33,825	-	-	33,825	-	33,825	
Total other comprehensive income	-	-	-	-	-	-	-	-	33,825	-	-	33,825	-	33,825	
Total comprehensive loss for the period	-	-	-	-	-	-	-	-	33,825	-	(40,122)	(6,297)	-	(6,297)	
Transactions with owners:															
<i>Contributions and distributions</i>															
Share options lapsed	-	-	-	-	(6,013)	-	-	-	-	-	6,013	-	-	-	
Total transactions with owners	-	-	-	-	(6,013)	-	-	-	-	-	6,013	-	-	-	
As at 31st March 2018	45,077	133,249	8,668	234,621	63,426	-	37,676	18,835	86,033	-	1,781,697	2,409,282	-	2,409,282	
As at 1st January 2017	45,077	133,249	8,668	234,621	70,850	(24,446)	-	17,264	31,312	(1,113)	1,443,355	1,958,837	1,036	1,959,873	
Loss for the period	-	-	-	-	-	-	-	-	-	-	(4,411)	(4,411)	-	(4,411)	
Other comprehensive income:															
Change in fair value of available-for-sale financial assets	-	-	-	-	-	68,289	-	-	-	-	-	68,289	-	68,289	
Exchange differences arising on translation of PRC subsidiaries	-	-	-	-	-	-	-	-	2,672	-	-	2,672	4	2,676	
Total other comprehensive income	-	-	-	-	-	68,289	-	-	2,672	-	-	70,961	4	70,965	
Total comprehensive income for the period	-	-	-	-	-	68,289	-	-	2,672	-	(4,411)	66,550	4	66,554	
Transactions with owners:															
<i>Contributions and distributions</i>															
Share options lapsed	-	-	-	-	(142)	-	-	-	-	-	142	-	-	-	
Total transactions with owners	-	-	-	-	(142)	-	-	-	-	-	142	-	-	-	
As at 31st March 2017	45,077	133,249	8,668	234,621	70,708	43,843	-	17,264	33,984	(1,113)	1,439,086	2,025,387	1,040	2,026,427	

Notes:

1. Basis of preparation

The Group's unaudited condensed consolidated financial statements for the three months ended 31st March 2018 have been prepared in accordance with Hong Kong Accounting Standards ("HKASs") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the Rules Governing the Listing of Securities on the GEM. These condensed consolidated financial statements are unaudited but have been reviewed by the Company's audit committee.

These unaudited condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31st December 2017. They have been prepared on the historical cost basis, except for investment properties and financial assets and liabilities at fair value through profit or loss, which are measured at fair value.

The accounting policies used in preparing these unaudited condensed consolidated financial statements are consistent with those used in the Group's audited consolidated financial statements for the year ended 31st December 2017, except for the adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1st January 2018 as described below.

Annual improvements to HKFRSs	2014-2016 Cycle: HKFRS 1 and HKAS 28
Amendments to HKAS 40	Transfers of Investment Property
Amendments to HKFRS 2	Classification and Measurement of Share-based Payment Transactions
Amendments to HKFRS 4	Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts
HKFRS 9	Financial Instruments
HKFRS 15	Revenue from Contracts with Customers
HK(IFRIC) – Int 22	Foreign Currency Transactions and Advance Consideration

The adoption of these amendments to HKFRSs did not result in substantial changes to the Group's accounting policies and amounts reported for the current period and prior years except for HKFRS 9 and HKFRS 15.

HKFRS 9: Financial instruments

HKFRS 9 introduces new requirements for the classification and measurement of financial assets, financial liabilities, general hedge accounting and impairment requirements for financial assets.

Key requirements of HKFRS 9 which are relevant to the Group are:

- all recognised financial assets that are within the scope of HKFRS 9 are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at fair value through other comprehensive income. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

- in relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39 *Financial Instruments: Recognition and Measurement*. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

On 1st January 2018, the directors of the Company assessed which business models should be applied to the financial assets held by the Group on the initial application of HKFRS 9 and has classified its financial instruments into the appropriate HKFRS 9 categories as follows:

	<i>Note</i>	Measurement category	
		Original (HKAS 39)	New (HKFRS 9)
Financial assets			
Listed equity securities held for trading		Fair value through profit or loss (“FVPL”)	FVPL
Private investment funds held for trading		FVPL	FVPL
Unlisted debt securities held for trading		FVPL	FVPL
Money market funds designated upon initial recognition		FVPL	FVPL
Listed equity securities not held for trading	(a)	Available for sale, at fair value	FVPL
Private investment funds not held for trading	(b)	Available for sale, at fair value	FVPL
Unlisted equity securities not held for trading		Available for sale, at cost	FVPL
Loans receivable	(c)	Amortised cost	Amortised cost
Trade and other receivables	(c)	Amortised cost	Amortised cost
Cash and cash equivalents	(c)	Amortised cost	Amortised cost

Financial liabilities

Derivative financial instruments: Early redemption option		FVPL	FVPL
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Notes:

- (a) The accumulated investment revaluation reserves of HK\$139,722,000 at 1st January 2018 relevant to these investments has been reclassified to retained profits.
- (b) The accumulated investment revaluation reserves of HK\$137,126,000 at 1st January 2018 relevant to these investments has been reclassified to retained profits.
- (c) Impairment based on expected credit loss model on these financial assets has no significant financial impact.

HKFRS 15: Revenue from Contracts with Customers

HKFRS 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. HKFRS 15 supersedes the revenue recognition guidance including HKAS 18 *Revenue*, HKAS 11 *Construction contracts* and the related interpretations. The core principle of HKFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Specifically, HKFRS 15 introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under HKFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when “control” of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in HKFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by HKFRS 15.

The directors consider that the performance obligations that may be identified under HKFRS 15 are similar to the identification of revenue components under the Group’s existing revenue recognition policy and therefore, the adoption of HKFRS 15 do not have any significant impact on recognition of revenue.

2. Revenue

Revenue, which is stated net of value added tax where applicable, is recognised when goods are delivered and the related risks and rewards of ownership have passed.

The Group is principally engaged in manufacture, sales and distribution of information home appliances and complementary products to consumer markets.

3. Other revenue and net income

	For the three months ended	
	31st March	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Other revenue		
Dividend income from listed securities	324	–
Interest income from bank deposits	2,154	1,845
Interest income from loans receivable	3,214	3,256
Interest income from debt investments at amortised cost	590	–
Imputed interest income from investment in an insurance contract	–	42
Rental income from investment properties	9,338	1,332
	<u>15,620</u>	<u>6,475</u>
Other net income		
Foreign exchange gain, net	8,823	5,134
Fair value loss on financial assets at fair value through profit or loss	(10,714)	–
Fair value gains on financial liabilities at fair value through profit or loss	4,567	–
Net unrealised gains on financial assets at fair value through profit or loss		
– held for trading	–	5,437
– designated upon initial recognition	–	43
Net gains on disposal of financial assets at fair value through profit or loss		
– held for trading	–	11,903
– designated upon initial recognition	–	558
Reversal of impairment loss on trade and other receivables	–	11
Sundry income	1,734	1,829
	<u>4,410</u>	<u>24,915</u>
	<u>20,030</u>	<u>31,390</u>

4. Income tax expenses

The taxation charged to profit or loss represents:

	For the three months ended	
	31st March	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
PRC enterprise income tax	<u> -</u>	<u> -</u>

No PRC enterprise income tax has been provided for the three months ended 31st March 2018 and 2017 as the Group did not have any assessable profit from the PRC for both periods.

No Hong Kong Profits Tax has been provided for the three months ended 31st March 2018 and 2017 as the Group did not have any assessable profit from Hong Kong for both periods.

5. Loss per share

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

	For the three months ended	
	31st March	
	2018	2017
	<i>HK\$'000</i>	<i>HK\$'000</i>
Loss attributable to owners of the Company	<u>(40,122)</u>	<u>(4,411)</u>

	For the three months ended	
	31st March	
	2018	2017
	<i>'000</i>	<i>'000</i>
Weighted average number of ordinary shares for basic loss per share	<u>1,803,089</u>	<u>1,803,089</u>
Effect of dilutive potential ordinary shares:		
Exercise of share options	<u> N/A</u>	<u> N/A</u>
Weighted average number of ordinary shares for diluted loss per share	<u>1,803,089</u>	<u>1,803,089</u>
Loss per share:		
– Basic	<u>(2.23) cents</u>	<u>(0.24) cent</u>
– Diluted (<i>Note</i>)	<u>(2.23) cents</u>	<u>(0.24) cent</u>

Note:

Diluted loss per share is the same as the basic loss per share for the three months ended 31st March 2018 because the potential ordinary shares arising from the outstanding share options under the Company's share option scheme and the conversion of convertible bonds outstanding have an anti-dilutive effect on the basic loss per share during the period.

RESERVES

Movements in the reserves of the Group during the three months ended 31st March 2018 (the “Period”) are set out in the unaudited condensed consolidated statement of changes in equity of the financial statements.

INTERIM DIVIDEND

The Board does not recommend the payment of any interim dividend for the Period (three months ended 31st March 2017: Nil).

FINANCIAL AND BUSINESS REVIEW

After more than ten years of development and under the steady growth of the global Internet Protocol Television (“IPTV”) market, the Group’s IPTV set-top boxes (“STB”) business has entered into a year of market maturity. With the accumulation of technological expertise over the years and the Group’s own intermediary software platform to improve and optimize products, the Group can meet the needs of different customers, finish the work of integrating with termination systems and middleware products. Products launched by the Group in the markets include high digital STB, hybrid dual mode STB, Over-the-Top TV (“OTT”)/IPTV STB and intelligent STB equipped with Android system products, etc.. Under the intense market competition condition, the Group is facing many opportunities as well as confronting severe challenges. During the Period, the Group’s overall revenue amounted to approximately HK\$118.9 million, representing a significant increase of 64.6% as compared with the same period of last year. Although the Group’s revenue in the overall Hong Kong and the PRC markets decreased by 56.2% and 89.7% to approximately HK\$21.3 million and HK\$0.8 million respectively as compared with the same period of last year, the Group’s revenue in overseas markets for the Period increased significantly by 501.7% to approximately HK\$96.8 million. Due to the increase in the average gross profit margin of overseas markets, the overall gross profit of the Group in the first quarter of 2018 increased by 266.1% to approximately HK\$5.3 million as compared with the same period of last year and the gross profit margin improved to 4.5% for the Period (three months ended 31st March 2017: 2.0%).

As one of the leading suppliers of IPTV STB in Hong Kong, the Group still maintains cooperative relationships with a Hong Kong telecommunication operator in its marketing activities. In addition, the Group has also cooperated with a well-known Hong Kong TV programme operator to assist with its expansion on OTT service in the Hong Kong market. However, as the market is entering a mature period, the Group’s overall revenue in the Hong Kong market decreased by 56.2% to HK\$21.3 million for the Period as compared with the same period of last year.

In the overseas markets, the Group keeps on maintaining good cooperation relationships with various existing telecom operators and system integration suppliers. The Group has managed to forward continuous shipments of its products to customers in Australia, Brazil, Spain and the United States, etc.. At the same time, the Group is actively exploring new markets in Bulgaria, Denmark, Netherlands and the United Kingdom. Purchase orders from overseas customers increased for the Period. In particular, revenue from the Australian market increased significantly by 690.9% to approximately HK\$88.4 million as compared with the same period of last year. Therefore, the overall revenue of the overseas markets for the Period increased significantly by 501.7% to approximately HK\$96.8 million as compared with the same period of last year.

In the PRC market, since one of the major PRC customers of the Group changed its product during the Period and the new products did not place any order with the Group, the overall revenue of the Group in the PRC market decreased significantly by 89.7% to only approximately HK\$0.8 million as compared with the same period of last year.

Despite an increase in the Group's overall revenue, the Group's distribution and selling expenses for the Period decreased by 7.0% to approximately HK\$3.7 million as compared with the same period of last year. At the same time, the Group's general and administrative expenses also decreased by 21.7% to approximately HK\$22.8 million for the Period (three months ended 31st March 2017: approximately HK\$29.2 million). Moreover, imputed interest expenses of approximately HK\$33.3 million was recorded for the Period (three months ended 31st March 2017: HK\$Nil) in respect of the convertible bonds issued by the Company on 20th June 2017 (further details regarding the convertible bonds are set out in "Issue of Convertible Bonds" under "Fundraising Activities" section of this announcement), which caused the finance costs of the Group to increase significantly to approximately HK\$36.6 million for the Period (three months ended 31st March 2017: approximately HK\$2.2 million).

The Group's other revenue and net income decreased by 36.2% to approximately HK\$20.0 million for the Period (three months ended 31st March 2017: approximately HK\$31.4 million). This decrease was mainly attributable to the unsatisfactory performance of the Group's short-term investment portfolio, which caused the Group to record fair value losses on financial assets/liabilities at fair value through profit or loss of approximately HK\$6.1 million (three months ended 31st March 2017: net gains of approximately HK\$17.9 million) even though the first adoption of HKFRS 9 resulted in the Group recognising fair value gains on private investment funds under financial assets at fair value through profit or loss of approximately HK\$24.0 million in profit or loss for the Period (three months ended 31st March 2017: HK\$Nil).

Other operating expenses of the Group increased to approximately HK\$2.3 million for the Period (three months ended 31st March 2017: approximately HK\$2.0 million). This increase was mainly due to the increase in miscellaneous costs together with the withholding tax on interest income.

With respect to the new business, internet data centre ("IDC"), the Group concentrates its efforts on providing renowned domestic and foreign enterprises with reliable data centre facilities services. During the Period, the Group and two United States private companies (the "Consultants") entered into the consulting agreements. The Consultants will provide consultancy service on the design and construction of the Group's first IDC in the United States. The establishment of a large IDC in the United States is an important step towards expanding the global IDC business of the Group and shows the determination of the Group to vigorously develop its IDC business.

With respect to investment business, the Group conducted some investments in the secondary market and private investment funds during the Period. Based on value investment, the Group only selected the investment products in the secondary market by taking risk control and maintaining reasonable earning expectation as the investment strategy. Maintenance and appreciation of asset value are the long-term investment commitments of the Group. Meanwhile, the Group also constantly reviews and manages its investment portfolios. During the Period, due to the unsatisfactory performance of the Group's short-term investment portfolio, the Group recorded fair value losses on financial assets/liabilities at fair value through profit or loss of approximately HK\$6.1 million (three months ended 31st March 2017: net gains of approximately HK\$17.9 million) even though the first adoption of HKFRS 9 resulted in the Group recognising fair value gains on private investment funds under financial assets at fair value through profit or loss of approximately HK\$24.0 million in profit or loss for the Period (three months ended 31st March 2017: HK\$Nil).

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately HK\$40.1 million for the Period (three months ended 31st March 2017: approximately HK\$4.4 million).

Funding

Fundraising Activities

Issue of Convertible Bonds

On 26th May 2017, the Company entered into a subscription agreement with Cloud Empire Investments Limited ("Cloud Empire") as the subscriber in relation to the issue of convertible bonds in principal amount of HK\$504.0 million (the "Convertible Bonds"). On 20th June 2017 (the "Bond Issue Date"), the Company issued the Convertible Bonds to Cloud Empire. The Convertible Bonds bear interest at the rate of 6% per annum. Such interest is accrued on the outstanding principal amount of the Convertible Bonds and shall only be payable by the Company to Cloud Empire once every six months from the Bond Issue Date if the Convertible Bonds are neither converted during the conversion period nor redeemed prior to 20th June 2018 (the "Bond Maturity Date").

The Convertible Bonds can be converted into ordinary shares of the Company at an initial conversion price of HK\$1.4 per share (subject to adjustments) for a maximum number of 360,000,000 conversion shares. The market price of the shares of the Company ("Shares") was HK\$0.97 and HK\$1.02 as at 26th May 2017 and 20th June 2017 respectively. The conversion period commences from the 180th day after the Bond Issue Date and ends on the five business days prior to the Bond Maturity Date.

The net proceeds from the issue of the Convertible Bonds net of issue cost amounted to approximately HK\$500.2 million. The use of proceeds from the issue of the Convertible Bonds is to fund the construction of an IDC of the Group and for general working capital purposes. The Directors consider that the construction and operation of IDC will enlarge the Group's technology level and source of income and enhance the Group's profitability and value to the shareholders of the Company (the "Shareholders").

As at the date of this announcement, Cloud Empire has not exercised its rights to convert the Convertible Bonds into Shares. For details of the terms of the Convertible Bonds, please refer to the Company's announcements dated 26th May 2017, 2nd June 2017 and 20th June 2017 and note 30 to the consolidated financial statements in the 2017 annual report.

Significant Investments/Material Acquisitions and Disposals

On 9th February 2018, the Group further invested HK\$20,000,000 in a private investment fund, namely iSun Global Restructuring-led Partnership Fund I LP ("iSun Fund"), as part of the Group's commitment of investment in iSun Fund of HK\$200,000,000. Details of the iSun Fund and the Group's commitment can be referred to the announcements of the Company dated 25th July 2017 and 9th February 2018.

Except for the above investment in private investment funds, the Group had no significant investment and no material acquisition or disposal during the Period.

Key Risks and Uncertainties

During the Period, the Group endeavoured to improve the risk management system on different aspects of company strategies, businesses operation and finance. A number of risks and uncertainties may affect the financial results and business operations of the Group. For the information home appliances ("IHA") business, factors such as fierce market competition in the PRC and overseas markets, rapid iteration of technological products, Renminbi ("RMB") exchange rate fluctuation, the drop in the selling price of products and the increase in production cost and labour cost may bring uncertain impact on the development of the IHA business of the Group. For the IDC business, factors such as whether the construction and layout of the project can be completed as scheduled, and whether the leasing contracts signed by customers and rental income can meet the expectation will affect the progress of the IDC business of the Group. For the investing business, the frequent changes of market policies and regulations about the PRC stock market and the unclear global economic environment would be two key risk factors. In future business operations, the Group will be highly aware of the aforesaid risks and uncertainties and will proactively adopt effective measures to tackle such risks and uncertainties.

Environmental Policies and Performance

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

Compliance with Laws and Regulations

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

BUSINESS PROSPECT

Being one of the earliest companies researching and developing in broadband STB products in the world, the Group, based on its accumulation of technological expertise over the years and its own research and development capability, will continue to improve and upgrade its core products and performances, and actively develop new products to adapt to new market opportunities, so as to maintain strong competitive edge. The Group vigorously expanded the market of overseas small and medium-sized operators with an objective to increase its operating revenue and to boost the overall gross profit margin of the STB business of the Group. The Group expects its STB business to achieve a better performance in the near future.

The Group takes initiatives in developing businesses in relation to global IDC and cloud computing. In recent years, with economic globalisation and the implementation of China's the "Belt and Road" strategy, the development of Chinese enterprises in overseas markets has accelerated significantly. The industries involved have been further expanded from traditional manufacturing industry to multimedia, games, video, mobile internet and other industries. Therefore, the overseas Chinese enterprises have strong demand for cloud computing and big data services locally. To take advantage of its business network and industry creditability in the Greater China region as well as the international market, the Group aims to provide safe and reliable data centre facilities and services for renowned domestic and overseas enterprises, and by proactively expanding internationally, the Group will develop global cloud computing data centres for large scale corporations and global cloud computing total solutions for small and medium enterprises in the Greater China region, so as to develop the Group's business into an internationally renowned leading cloud computing enterprise in the era of big data.

As for the new business, IDC, during 2017, in addition to participating in domestic IDC projects operated by independent third parties through acquisitions, the Group also purchased land and properties in the "Capital of Silicon Valley" located at San Jose, California, the United States, to prepare for the construction of the Group's first IDC in the United States. The establishment of a large IDC in the United States is an important step towards expanding the global IDC business of the Group, and shows the determination of the Group to vigorously develop its IDC business. The project will expand the IDC portfolio of the Group and explore new sources of revenue, so as to increase the Group's overall profitability in the near future. In the future, the Group will also actively cooperate with various parties in the PRC, Hong Kong and overseas markets, in order to develop the Group into an internationally renowned leading cloud computing enterprise in the era of big data.

By subscription of the iSun Fund, indirectly investing in the blockchain technology related company and subscription of the digital asset initial coin offering (“ICO”), the Group proactively made deployments in the new field of blockchain technology. After the advent of the internet era, technologies such as big data, cloud computing and artificial intelligence have significantly enhanced social productivity, while the application of blockchain has meant to build a new type of production relations in the internet era. There are wide and expandable applications for blockchain, and therefore it will bring about tremendous changes and a bright future for the entire human society. As at 31st March 2018, the Group has committed to make an investment of HK\$200 million in a fund, by way of a subscription for a limited partnership interest in the fund. The fund primarily targets investments in public or private companies or digital assets (such as cryptocurrencies) in the data centre, fintech or high tech (software and hardware) sectors. It is expected that this business will generate positive income for the Group in the near future.

2018 is an important year for the development of the Group. Based on the Company’s confidence in its future development prospects and the recognition of its value, Mr. Li Qiang, Chairman of the Group, and Mr. Gao Fei, Chief Executive Officer, increased their shareholdings in the Company respectively at the end of 2017, and subject to their own personal decision, there are possibilities that they will further increase their shareholdings in the future. The management of the Group and all the staff will continue to work together, with their concerted efforts and by focusing on the IHA business and IDC business, the Group will forge ahead to achieve excellent performance once again.

SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) pursuant to the ordinary resolutions passed by the Shareholders at the special general meeting (“SGM”) on 14th January 2015 (the “Option Adoption Date”). The Share Option Scheme is valid for ten years from the Option Adoption Date and shall expire at the close of business on the day immediately preceding the 10th anniversary thereof unless terminated earlier by the Shareholders in general meeting.

The total number of shares which may be issued upon the exercise of all share options to be granted under the Share Option Scheme and any other share option schemes of the Company must not in aggregate exceed 10% of the total issued share capital of the Company on the Option Adoption Date (the “Scheme Mandate”) unless the Company obtains an approval from the Shareholders to renew the 10% limit on the basis that the maximum number of shares in respect of which share options may be granted under the Share Option Scheme together with any share options outstanding and yet to be exercised under the Share Option Scheme and any other share option schemes shall not exceed 30% of the total issued share capital of the Company from time to time. At the SGM which was held on the Option Adoption Date, the Scheme Mandate was approved by the Shareholders and the total number of shares that may fall to be allotted and issued under the Share Option Scheme would be 179,211,680 shares, representing 10% of the total number of shares in issue as at the Option Adoption Date.

On 16th January 2015, the Company offered to grant 186 eligible participants to subscribe for a total of 107,527,008 ordinary shares of HK\$0.025 each in the capital of the Company at an exercise price HK\$2.2 per share (“Share Options”). These Share Options are exercisable up to five years from the date of grant. On 8th June 2016, the Company removed vesting period of all existing Share Options which are outstanding and unvested under the Share Option Scheme pursuant to the ordinary resolutions passed by the Shareholders at a SGM and such Share Options shall therefore be immediately vested with the consent of relevant Share Options holders. As a result, non-cash share-based compensation expenses in respect of all outstanding and unvested Share Options at the date of approval of removal of vesting period of the Share Options of approximately HK\$7,564,000 was recognised as expense by the Group with the same amount credited to share option reserves under equity for the year ended 31st December 2016. For details of the amendment of the terms of Share Options, please refer to the Company’s announcement dated 18th May 2016 and the circular dated 23rd May 2016.

Details of the movements of Share Options granted to subscribe for the Shares are as follows:

For the three months ended 31st March 2018

Category	Date of grant	Exercise price per share HK\$	Exercisable period*	Number of shares issuable under the Share Options					Outstanding as at 31st March 2018
				Outstanding as at 1st January 2018	Granted during the period	Reclassification of Category during the period	Exercised during the period	Lapsed during the period	
Directors									
Mr. Shi Guangrong	16th January 2015	2.2	16th January 2015 – 15th January 2020	6,500,000	-	-	-	-	6,500,000
Mr. Zhu Jiang	16th January 2015	2.2	16th January 2015 – 15th January 2020	7,000,000	-	-	-	-	7,000,000
Ms. Shen Yan	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,000,000	-	-	-	-	1,000,000
Mr. Zhong Pengrong	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,000,000	-	-	-	-	1,000,000
Continuous contract employees	16th January 2015	2.2	16th January 2015 – 15th January 2020	50,516,776	-	-	-	(200,000)	50,316,776
Suppliers of goods or services	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,920,000	-	-	-	-	1,920,000
Other eligible participants	16th January 2015	2.2	16th January 2015 – 15th January 2020	25,934,232	-	-	-	(8,000,000)	17,934,232
				<u>93,871,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,200,000)</u>	<u>85,671,008</u>
Outstanding as at 31st March 2018									<u>85,671,008</u>
Weighted average exercise price (HK\$)									<u>2.2</u>

For the three months ended 31st March 2017

Category	Date of grant	Exercise price per share HK\$	Exercisable period*	Number of shares issuable under the Share Options					
				Outstanding as at 1st January 2017	Granted during the period	Reclassification of Category during the period	Exercised during the period	Lapsed during the period	Outstanding as at 31st March 2017
Directors									
Mr. Zhu Weisha (retired on 8th March 2017)	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,792,116	-	(1,792,116)	-	-	-
Mr. Shi Guangrong	16th January 2015	2.2	16th January 2015 – 15th January 2020	6,500,000	-	-	-	-	6,500,000
Mr. Zhu Jiang	16th January 2015	2.2	16th January 2015 – 15th January 2020	7,000,000	-	-	-	-	7,000,000
Ms. Shen Yan	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,000,000	-	-	-	-	1,000,000
Mr. Zhong Pengrong	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,000,000	-	-	-	-	1,000,000
Mr. Wu Jiajun (resigned on 15th September 2017)	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,000,000	-	-	-	-	1,000,000
Chief Executive Officer									
Mr. Kevin Choo (resigned on 15th December 2017)	16th January 2015	2.2	16th January 2015 – 15th January 2020	8,000,000	-	-	-	-	8,000,000
Continuous contract employees	16th January 2015	2.2	16th January 2015 – 15th January 2020	61,550,892	-	1,792,116	-	(192,000)	63,151,008
Suppliers of goods or services	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,920,000	-	-	-	-	1,920,000
Other eligible participants	16th January 2015	2.2	16th January 2015 – 15th January 2020	6,000,000	-	-	-	-	6,000,000
				<u>95,763,008</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,000)</u>	<u>95,571,008</u>
Outstanding as at 31st March 2017									<u>95,571,008</u>
Weighted average exercise price (HK\$)		<u>2.2</u>			<u>-</u>	<u>2.2</u>	<u>-</u>	<u>2.2</u>	<u>2.2</u>

* Share Options granted to the Directors, Chief Executive Officer, continuous contract employees, suppliers of goods or services and other eligible participants are subject to vesting conditions. However, the vesting period of all existing Share Options granted to the Directors, Chief Executive Officer, continuous contract employees, suppliers of goods or services and other eligible participants which are outstanding and unvested has been removed by the approval of the Shareholders at the SGM held on 8th June 2016.

Notes:

- (i) The price of the Shares before the date of the grant of the Share Options is the closing price of the Shares as quoted on the Stock Exchange on the trading day immediately before the date on which the share options were granted.
- (ii) 8,200,000 (three months ended 31st March 2017: 192,000) Share Options were lapsed according to the terms of the Share Option Scheme during the Period.

The cost of Share Options granted is estimated on the date of the grant using the Binomial Model with the following parameters:

Date of grant	16th January 2015
Number of shares issuable under options granted	107,527,008
Exercise price	HK\$2.2
Fair value at the date of grant	HK\$0.72 – HK\$0.75
Risk-free interest rate based on the yields of the 5-year Exchange Fund Notes	0.88%
Expected volatility [#]	46%
Expected dividend yield	2.27%
Expected life	3 years to 5 years

[#] The expected volatility is based on statistical analysis of daily share prices annualised for one year immediately preceding the grant date.

Save as disclosed above, at the date of approval of these unaudited condensed consolidated financial statements for the Period, no other share options were exercised subsequent to the end of the Period.

When the Share Options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserves will be transferred to retained profits.

The fair value of the Share Options are subject to a number of assumptions and the limitation of the Binomial Model.

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

As at 31st March 2018, the interests or short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (“SFO”)) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

(1) Long positions in the shares of the Company

Name of Director	Nature of interests	Number of ordinary shares	Capacity	Approximate percentage of the total issued share capital of the Company
Mr. Li Qiang	Personal	4,604,000	Beneficial owner	0.26%
Mr. Gao Fei	Personal	2,190,000	Beneficial owner	0.12%
Mr. Shi Guangrong	Personal	22,660,000	Beneficial owner	1.26%
Mr. Zhu Jiang	Personal	7,926,756	Beneficial owner	0.44%
Ms. Shen Yan	Personal	324,000	Beneficial owner	0.02%
Mr. Zhong Pengrong	Personal	144,000	Beneficial owner	0.01%

(2) Long positions in the underlying shares of the Company

Pursuant to the Share Option Scheme adopted by the Shareholders on 14th January 2015, the Directors and chief executive of the Company in the capacity as beneficial owners were granted unlisted and physically settled share options to subscribe for the Shares, details of which as at 31st March 2018 were as follows:

Category	Date of grant	Exercise price per share HK\$	Exercisable period	Number of shares issuable under the Share Options				Outstanding as at 31st March 2018
				Outstanding as at 1st January 2018	Granted during the period	Exercised during the period	Lapsed during the period	
Directors								
Mr. Shi Guangrong	16th January 2015	2.2	16th January 2015 – 15th January 2020	6,500,000	-	-	-	6,500,000
Mr. Zhu Jiang	16th January 2015	2.2	16th January 2015 – 15th January 2020	7,000,000	-	-	-	7,000,000
Ms. Shen Yan	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,000,000	-	-	-	1,000,000
Mr. Zhong Pengrong	16th January 2015	2.2	16th January 2015 – 15th January 2020	1,000,000	-	-	-	1,000,000
				<u>15,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,500,000</u>

Further details regarding the Share Option Scheme are set out under the heading “Share Option Scheme” in this announcement.

Save as disclosed above, none of the Directors or chief executive of the Company had, as at 31st March 2018, any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as required to be notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules.

SUBSTANTIAL SHAREHOLDERS’ INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

So far as is known to any Director or chief executive of the Company, as at 31st March 2018, the following persons (other than Directors or chief executive of the Company) have interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO:

(1) Long positions in the shares of the Company

Name of Shareholders	Nature of interests	Number of ordinary shares	Capacity	Approximate percentage of the total issued share capital of the Company
Cloudrider Limited (“Cloudrider”) (Note 1)	Corporate	450,357,200	Beneficial owner	24.98%
Lontrue Co., Ltd* (朗源股份有限公司) (“Lontrue”) (Note 1)	Corporate	450,357,200	Interest of a controlled corporation	24.98%
Honbridge Holdings Limited (Stock code: 8137) (“Honbridge”) (Note 2)	Corporate	450,357,200	Person having a security interest in shares	24.98%
Hong Bridge Capital Limited (“Hong Bridge”) (Note 2)	Corporate	450,357,200	Interest of a controlled corporation	24.98%
Mr. He Xuechu (Note 2)	Personal	450,357,200	Interest of a controlled corporation	24.98%
Ms. Foo Yatyan (Note 2)	Personal	450,357,200	Interest of a controlled corporation	24.98%
Super Dragon Co., Ltd. (“Super Dragon”) (Note 3)	Corporate	121,533,800	Beneficial owner	6.74%

(2) Long positions in the underlying shares of the Convertible Bonds of the Company

Name of the holder of the Convertible Bonds	Principle amount of the Convertible Bonds	Number of the total underlying shares	Approximate percentage of the total issued share capital of the Company
Cloud Empire (Note 4)	HK\$504,000,000 (Note 5)	360,000,000	19.97%

Notes:

- Reference is made to the announcements of the Company dated 11th April 2016, 12th April 2016 and 16th May 2016 in relation to a proposed disposal of shares in the Company by Super Dragon. Super Dragon has on 10th April 2016 entered into a sale and purchase agreement (“Sale and Purchase Agreement”) with Cloudrider, in relation to a proposed sale by Super Dragon and proposed acquisition by the Cloudrider of 450,357,200 ordinary shares of the Company (“Sale Shares”) (representing 25% of the issued ordinary shares of the Company as at 31st March 2016) at HK\$2.40 per share. On 16th May 2016, the transfer of the Sale Shares was completed as contemplated under the Sale and Purchase Agreement. According to the disclosure forms filed by Cloudrider and Lontrue on 19th May 2016, Lontrue holds 35.65% of the equity interest of Cloudrider and is deemed to be interested in 450,357,200 shares of the Company. Mr. Li Qiang, the executive Director and chairman of the Board of the Company, is the sole shareholder and director of Capital Melody Limited, holding 32.09% of the equity interest of Cloudrider as at 31st March 2018.
- Reference is made to the announcement of Honbridge dated 11th April 2016 and a circular dated 24th May 2016 in relation to a loan agreement dated 11th April 2016 between Honbridge and Cloudrider. A loan in the principal amount of HK\$540,000,000 granted by Honbridge to Cloudrider pursuant to a loan agreement at the rate of 3% per annum, which may be drawn down in two tranches (the “Loan”). The maturity date was 12 months after the drawdown of the Tranche A Loan, subject to an option to extend by Cloudrider to the date falling 24 months after the drawdown. The Loan is secured by (i) share charges provided by Bronze Pony Investments Limited and Capital Melody Limited having granted security over all of their shareholdings in Cloudrider; and (ii) a debenture consisting of a fixed and floating charge over all of the assets of Cloudrider in favour of Honbridge, or such other security as required by Honbridge to its satisfaction. According to the disclosure forms filed by Honbridge, Hong Bridge, Mr. He Xuechu and Ms. Foo Yatian on 23rd September 2016, Hong Bridge holds more than one-third of the issued share capital of Honbridge and Mr. He Xuechu holds more than one-third of the issued share capital of Hong Bridge which in turn holds more than one-third of the issued share capital of Honbridge. As such, Mr. He Xuechu and Hong Bridge are deemed to be interested in 450,357,200 shares of the Company in which Honbridge has an interest. Ms. Foo Yatian is deemed to be interested in 450,357,200 shares of the Company because the interests are related to the interests of children under 18 and/or spouse.
- Mr. Zhu Weisha holds these shares through Super Dragon, a company in which Mr. Zhu holds the entire issued share capital and of which he is the sole director.
- Cloud Empire, a company incorporated under the laws of British Virgins Islands. According to the disclosure forms filed by Cloud Empire, ABCI Investment Management Limited (“ABCI Investment”), ABC International Holdings Limited (“ABC International”), Agricultural Bank of China Limited (“ABC”), Ministry of Finance of the People’s Republic of China and Central Huijin Investment Ltd. (“Central Huijin”) on 31st May 2017, ABCI Investment, ABC International, ABC, Ministry of Finance of the People’s Republic of China and Central Huijin are also deemed to be interested in such Convertible Bonds of the Company under the SFO.
- On 26th May 2017, the Company entered into a subscription agreement with Cloud Empire as the subscriber in relation to the issue of Convertible Bonds in the principal amount of HK\$504,000,000. The Convertible Bonds can be converted into maximum 360,000,000 ordinary shares of the Company at the initial conversion price of HK\$1.4 per share (subject to adjustments). The issue was completed on 20th June 2017 with net proceeds of approximately HK\$500.2 million.

Save as disclosed above, as at 31st March 2018, the Company had not been notified by any person (other than Directors or chief executive of the Company) who had an interest or short position in the Shares or underlying Shares as recorded in the register required to be kept by the Company under section 336 of the SFO.

MANAGEMENT CONTRACTS

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

COMPETING INTERESTS

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

CORPORATE GOVERNANCE

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

The Company has complied with the code provisions of the Corporate Governance Code (the "CG Code") set out in Appendix 15 of the GEM Listing Rules during the Period.

AUDIT COMMITTEE

The Board has established an audit committee (the "Audit Committee") on 20th November 1999 with written terms of reference in compliance with the GEM Listing Rules. It currently comprises three independent non-executive Directors, namely Ms. Shen Yan (Chair lady), Mr. Zhong Pengrong and Mr. Li Menggang.

The primary functions of the Audit Committee are to assist the Board in reviewing the financial information, overseeing the 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 results for the Period have been reviewed by the Audit Committee pursuant to the relevant provisions contained in the CG Code and 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 COMPANY'S LISTED SECURITIES

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. Having made specific enquiry of all Directors, each Director confirmed that he/she has complied with the required standard set out in the Required Standard of Dealings during the Period.

By order of the Board
Yuxing InfoTech Investment Holdings Limited
Li Qiang
Chairman

Hong Kong, 15th May 2018

* *For identification purpose only*

As at the date hereof, the executive Directors are Mr. Li Qiang, Mr. Gao Fei, Mr. Shi Guangrong and Mr. Zhu Jiang; the independent non-executive Directors are Ms. Shen Yan, Mr. Zhong Pengrong and Mr. Li Menggang.

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