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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)

TERMINATION OF DISCLOSEABLE TRANSACTION IN RELATION TO THE PROCUREMENT

Reference is made to the announcements of the Company dated 7 May 2021, 14 May 2021, 31 May 2021 and 2 June 2021 (the “**Announcements**”) respectively in respect of the discloseable transaction in relation to the procurement of the hashrate capacity. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Announcements.

Pursuant to the Procurement Agreement, the Purchaser shall procure from the Vendor and the Vendor shall provide the Purchaser with, hashrate capacity of the Machines for a term of three years commencing from the date of the Procurement Agreement. The Purchaser had paid the first and second instalments of the Consideration in the aggregate amount of RMB92,000,000 to the Vendor according to the terms of the Supplemental Agreement and the Earnest Money in the amount of RMB70,000,000 had been applied towards satisfaction of the first instalment of the Consideration. The third instalment of the Consideration of RMB140,000,000 shall be paid by the Purchaser to the Vendor on or before 8 August 2021 according to the terms of the Supplemental Agreement.

The Board hereby announces that, after careful consideration of the market volatility imposed by the uncertainty of the regulatory environment, the Purchaser had decided not to pay the third instalment of the Consideration. Pursuant to the Procurement Agreement, if the Purchaser fails to pay the third instalment of the Consideration on or before 8 August 2021, the Procurement will proceed according to the amount of Consideration paid and the subsequent transactions will automatically terminate. As the Purchaser had decided not to proceed with the payment of the third instalment of the Consideration due on 8 August 2021, the subsequent transactions had been automatically terminated pursuant to the terms of the Procurement Agreement.

The cryptocurrencies market has been volatile after the release of the PRC government on the severe crackdown on mining and trading activities. The uncertainty of the regulatory environment had imposed a high-risk factor on the market. Having considered the current market conditions, the Board is of the view that it would be in the best interest of the Company not to further proceed with the Procurement to minimise the risk exposure. The Directors are of the view that such termination will not create any negative impact on the operation and the financial position of the Company.

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

Hong Kong, 9 August 2021

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

This announcement, for which the Directors of the Company 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.