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YUXING INFOTECH INVESTMENT HOLDINGS LIMITED

裕興科技投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8005)

DISCLOSEABLE TRANSACTION DISPOSALS OF LISTED SECURITIES

THE DISPOSALS

The Board wishes to announce that during the period between 20 May 2021 and 24 August 2021, the Company conducted a series of transactions in the open market to dispose of an aggregate of 1,552,700 ZhongAn H-Shares (representing approximately 0.109% of the total issued ZhongAn H-Shares and approximately 0.106% of the total issued shares of ZhongAn) at an average price of approximately HK\$40.02 per ZhongAn H-Share for an aggregate consideration of approximately HK\$62,141,000 (exclusive of transaction costs).

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the First Disposals and Second Disposal on an aggregated basis, exceed 5% but less than 25%, the Second Disposal when aggregated with the First Disposals constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements under the GEM Listing Rules. None of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of (i) each Disposal on a standalone basis exceeds 5%; and (ii) all the Disposals on an aggregated basis exceeds 25%.

THE DISPOSALS

The Board wishes to announce that during the period between 20 May 2021 and 24 August 2021, the Company conducted a series of transactions in the open market to dispose of an aggregate of 1,552,700 ZhongAn H-Shares (representing approximately 0.109% of the total issued ZhongAn H-Shares and approximately 0.106% of the total issued shares of ZhongAn) at an average price of approximately HK\$40.02 per ZhongAn H-Share for an aggregate consideration of approximately HK\$62,141,000 (exclusive of transaction costs).

First Disposals

During the period between 20 May 2021 and 23 June 2021, the Company conducted a series of transactions in the open market to dispose of an aggregate of 1,142,500 ZhongAn H-Shares (representing approximately 0.080% of the total issued ZhongAn H-Shares and approximately 0.078% of the total issued shares of ZhongAn based on public information available as of the date of this announcement) at an average price of approximately HK\$41.53 per ZhongAn H-Share for an aggregate consideration of approximately HK\$47,446,000 (exclusive of transaction costs).

Second Disposal

Under the Second Disposal on 24 August 2021, the Company further disposed of 410,200 ZhongAn H-Shares (representing approximately 0.029% of the total issued ZhongAn H-Shares and approximately 0.028% of the total issued shares of ZhongAn based on public information available as of the date of this announcement) at an average price of approximately HK\$35.82 per ZhongAn H-Share in the open market for an aggregate consideration of approximately HK\$14,695,000 (exclusive of transaction costs).

Assets disposed of

The Disposed Shares of 1,552,700 ZhongAn H-Shares represent approximately 0.109% of the total issued ZhongAn H-Shares and approximately 0.106% of the total issued shares of ZhongAn based on public information available as of the date of this announcement.

After the Disposals, the Company no longer holds any ZhongAn H-Shares.

Consideration

The aggregate consideration for the Disposals was approximately HK\$62,141,000 (exclusive of transaction costs) and was settled by the purchasers in cash upon completion. The consideration represented the value of the Disposed Shares based on the market value of such shares at the time of the respective Disposals.

The Disposals were completed on the same trading day of the execution date of the respective Disposals.

REASONS FOR AND BENEFITS OF THE DISPOSALS

In view of the recent market fluctuation of the Hong Kong stock market and prevailing market sentiment, the Directors believe that the market value of ZhongAn H-shares might be unable to break through the highs of mid-February in short term. It's beneficial to adopt a cautious investment strategy to liquidate its investment in ZhongAn H-shares with an aim to enhance the liquidity position of the Group.

Having considered that the Disposals is made in the open market at prevailing market price, the Directors (including the independent non-executive Directors) are of the view that the Disposals is fair and reasonable and in the interests of the Company and its shareholders as a whole. The Group is expected to receive the proceeds of approximately HK\$62,141,000 (exclusive of transaction costs) from the Disposals. The Group intends to use the proceeds for general working capital or other appropriate investment opportunities.

FINANCIAL IMPACT OF THE DISPOSALS

As at 31 December 2020, the carrying amount of the Disposed Shares was approximately HK\$56,208,000. As a result of the Disposals, the Group is expected to recognise a gain of approximately HK\$5,933,000 (before taxation and without deduction of expenses related to the Disposals), which is calculated based on the difference between the carrying amount of the Disposed Shares as at 31 December 2020 and the sales proceeds (exclusive of transaction costs). The actual amount of gain or loss as a result of the Disposals to be recorded by the Group will be subject to the review and annual audit by the auditor of the Company.

INFORMATION ON THE PURCHASERS

As each of the Disposals was conducted on the open market, the Company is not aware of the identities of the purchasers of the Disposed Shares.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, each of the purchasers of the Disposed Shares and their respective ultimate beneficial owners (if applicable) are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

INFORMATION ON THE GROUP

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

INFORMATION ON ZHONGAN

Based on public information available as of the date of this announcement, ZhongAn incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (Stock Code: 6060). ZhongAn is an online insurtech company and offers extensive property and casualty insurance products with its subsidiaries.

Based on the audited consolidated financial statements of ZhongAn extracted from the annual report of ZhongAn for the year ended 31 December 2020, the audited total assets and net assets of ZhongAn were approximately RMB45,673 million and RMB17,393 million respectively.

The audited net profit (before and after taxation and extraordinary items) of ZhongAn for the two financial years ended 31 December 2019 and 31 December 2020 respectively were as follows:

	For the years ended 31 December	
	2019	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	12,801,451	16,215,204
Net (loss)/profit before taxation	(610,838)	146,530
Net (loss)/profit after taxation	(638,645)	254,380

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the First Disposals and Second Disposal on an aggregated basis, exceed 5% but less than 25%, the Second Disposal when aggregated with the First Disposals constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements under the GEM Listing Rules. None of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of (i) each Disposal on a standalone basis exceeds 5%; and (ii) all the Disposals on an aggregated basis exceeds 25%.

DEFINITIONS

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

“Board”	board of Directors
“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)
“Director(s)”	the director(s) of the Company
“Disposal(s)”	Collectively, the First Disposals and The Second Disposal, and each a “Disposal”
“Disposed Shares”	the aggregate ZhongAn H-Shares disposed of under the Disposals
“First Disposals”	disposals of 1,142,500 ZhongAn H-Shares during the period from 20 May 2021 to 23 June 2021 in the open market for an aggregate consideration of approximately HK\$47,446,000 (exclusive of transaction costs)

“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“H-Share(s)”	the H-share(s) of ZhongAn which are listed on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Second Disposal”	disposal of 410,200 ZhongAn H-Shares on 24 August 2021 in the open market for a consideration of approximately HK\$14,695,000 (exclusive of transaction costs)
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZhongAn”	ZhongAn Online P&C Insurance Co., Ltd. incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange
“%”	per cent.

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

Hong Kong, 24 August 2021

* *For identification purposes only*

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

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.yuxing.com.cn.