



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 Report
2022

* for identification purposes only

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

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 report, for which the directors (the “Director(s)”) 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, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.

HIGHLIGHTS FOR THE THREE-MONTH PERIOD

- For the three months ended 31 March 2022, revenue of the Group was approximately HK\$29.5 million, representing a decrease of 26.4% as compared with the same period of last fiscal year. The Group recorded the gross profit of approximately HK\$1.0 million for the three months ended 31 March 2022 (31 March 2021: approximately HK\$9.3 million).
- Loss attributable to owners of the Company for the three months ended 31 March 2022 amounted to approximately HK\$28.2 million (31 March 2021: approximately HK\$3.2 million).
- Basic loss per share for the three months ended 31 March 2022 was HK1.13 cents (31 March 2021: HK0.13 cent).
- Total equity attributable to owners of the Company as at 31 March 2022 was approximately HK\$2,071.9 million (31 December 2021: approximately HK\$2,096.3 million) or net asset value per share of approximately HK\$0.83 (31 December 2021: approximately HK\$0.84).
- The Board does not recommend the payment of a dividend for the three months ended 31 March 2022 (31 March 2021: 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 31 March 2022, together with the comparative unaudited figures for the same period in 2021, prepared in accordance with generally accepted accounting principles in Hong Kong, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Notes	For the three months ended	
		2022	2021
		HK\$'000	HK\$'000
Revenue	3	29,545	40,129
Cost of sales		<u>(28,543)</u>	<u>(30,812)</u>
Gross profit		1,002	9,317
Other revenue and net (loss)/income	4	(3,830)	15,354
Distribution and selling expenses		(2,106)	(1,689)
General and administrative expenses		(21,648)	(23,187)
Other operating expenses		<u>(124)</u>	<u>(449)</u>
Loss from operations		(26,706)	(654)
Finance costs		<u>(637)</u>	<u>(698)</u>
Loss before tax		(27,343)	(1,352)
Income tax expenses	5	<u>(941)</u>	<u>(1,898)</u>
Loss for the period		<u>(28,284)</u>	<u>(3,250)</u>
Loss attributable to:			
Owners of the Company		(28,204)	(3,173)
Non-controlling interests		<u>(80)</u>	<u>(77)</u>
		<u>(28,284)</u>	<u>(3,250)</u>
Loss per share	7		
– Basic		(1.13) cents	(0.13) cent
– Diluted		<u>(1.13) cents</u>	<u>(0.13) cent</u>

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	For the three months ended	
	31 March	
	2022	2021
	HK\$'000	HK\$'000
Loss for the period	(28,284)	(3,250)
Other comprehensive income/(loss):		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of the PRC subsidiaries	3,845	(2,025)
Total other comprehensive income/(loss) for the period	3,845	(2,025)
Total comprehensive loss for the period	<u>(24,439)</u>	<u>(5,275)</u>
Total comprehensive loss attributable to:		
Owners of the Company	(24,359)	(5,198)
Non-controlling interests	<u>(80)</u>	<u>(77)</u>
	<u>(24,439)</u>	<u>(5,275)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserves	Contributed surplus	Share option reserves	Property revaluation reserves	Translation reserves	Other reserves	Retained profits	Total		
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000
As at 1 January 2022	62,193	280,057	8,668	234,621	8,948	26,113	54,012	4,201	1,417,461	2,096,274	(6,057)	2,090,217
Loss for the period	-	-	-	-	-	-	-	-	(28,204)	(28,204)	(80)	(28,284)
Other comprehensive income:												
Exchange differences arising on translation of the PRC subsidiaries	-	-	-	-	-	-	3,845	-	-	3,845	-	3,845
Total other comprehensive income	-	-	-	-	-	-	3,845	-	-	3,845	-	3,845
Total comprehensive loss for the period	-	-	-	-	-	-	3,845	-	(28,204)	(24,359)	(80)	(24,439)
As at 31 March 2022	<u>62,193</u>	<u>280,057</u>	<u>8,668</u>	<u>234,621</u>	<u>8,948</u>	<u>26,113</u>	<u>57,857</u>	<u>4,201</u>	<u>1,389,257</u>	<u>2,071,915</u>	<u>(6,137)</u>	<u>2,065,778</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Attributable to owners of the Company										Non-controlling interests	Total equity
	Share capital	Share premium	Statutory reserves	Contributed surplus	Share option 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
As at 1 January 2021	51,827	207,499	8,668	234,621	10,423	26,113	46,022	25	1,588,481	2,173,679	(1,315)	2,172,364
Loss for the period	-	-	-	-	-	-	-	-	(3,173)	(3,173)	(77)	(3,250)
Other comprehensive loss:												
Exchange differences arising on translation of the PRC subsidiaries	-	-	-	-	-	-	(2,025)	-	-	(2,025)	-	(2,025)
Total other comprehensive loss	-	-	-	-	-	-	(2,025)	-	-	(2,025)	-	(2,025)
Total comprehensive loss for the period	-	-	-	-	-	-	(2,025)	-	(3,173)	(5,198)	(77)	(5,275)
Transactions with owners:												
<i>Contributions and distributions</i>												
Issue of new shares (Note)	10,366	72,558	-	-	-	-	-	-	-	82,924	-	82,924
Total transactions with owners	10,366	72,558	-	-	-	-	-	-	-	82,924	-	82,924
As at 31 March 2021	62,193	280,057	8,668	234,621	10,423	26,113	43,997	25	1,585,308	2,251,405	(1,392)	2,250,013

Note:

Issue of new shares

On 30 December 2020, the Company and the subscribers entered into the subscription agreements pursuant to which the Company issued 414,616,000 new shares at a price of HK\$0.20 per share ("Subscription"). The Subscription was completed on 12 January 2021 and the total proceeds of the Subscription amounted to approximately HK\$82,924,000, of which approximately HK\$10,366,000 was credited to share capital and the balance of approximately HK\$72,558,000 was credited to the share premium account. These shares rank pari passu with the existing shares in all respects.

NOTES:

1. General information

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

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

2. Basis of preparation

The Group’s unaudited condensed consolidated financial statements for the three months ended 31 March 2022 have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of the GEM Listing Rules. These condensed consolidated 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 31 December 2021. They have been prepared on the historical cost basis, except for investment properties and financial assets 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 31 December 2021, except for the adoption of the new/revised Hong Kong Financial Reporting Standards (“HKFRSs”) and HKASs which are relevant to the Group’s operation and are effective for the Group’s financial year beginning on 1 January 2022 as described below.

Amendments to HKAS 16	Proceeds before Intended Use
Amendments to HKAS 37	Cost of Fulfilling a Contract
Amendments to HKFRS 3	Reference to the Conceptual Framework
Annual Improvements to HKFRSs	2018-2020 Cycle

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

3. Revenue

For management purposes, the current major operating businesses of the Group are IHA, IDC, investing and leasing.

The IHA business is principally engaged in sale and distribution of IHA and complementary products (including set-top boxes and raw materials). Revenue from the IHA business, which is stated net of value added tax where applicable, is recognised at a point in time at which the customers obtain the control of goods, which generally coincides with the time when goods are delivered to customers and the title is passed.

The IDC business comprises the development, construction, operation, mergers, acquisitions and leasing out of properties used as IDC and facilities used in IDC. Revenue from the IDC business, including rental income from leasing of properties used as IDC and facilities used in IDC and service income from provision of IDC facilities for customers' use, are recognised when the properties and facilities are let out and on a straight-line basis over the lease term, and as time lapsed or ratably over the term of the agreement respectively.

Disaggregation of revenue

	For the three months ended	
	31 March	
	2022	2021
	HK\$'000	HK\$'000
IHA:		
Sale of goods	26,545	29,951
IDC:		
Lease of properties used as IDC and facilities used in IDC	3,000	10,178
	29,545	40,129

4. Other revenue and net (loss)/income

	For the three months ended	
	31 March	
	2022	2021
	HK\$'000	HK\$'000
Other revenue		
Rental income from investment properties	2,298	2,215
Interest income calculated using the effective interest method:		
Interest income from bank deposits	160	107
Interest income from loans receivable	3,915	3,892
	6,373	6,214
Other net (loss)/income		
Foreign exchange losses, net	(363)	(966)
Net fair value (losses)/gains on financial assets at fair value through profit or loss	(10,813)	9,736
Gain on utilisation of cryptocurrencies	729	–
Sundry income	244	370
	(10,203)	9,140
	(3,830)	15,354

5. Income tax expenses

The taxation charged to profit or loss represents:

	For the three months ended	
	31 March	
	2022	2021
	HK\$'000	HK\$'000
Current tax		
PRC corporate income tax	197	1,257
Overseas withholding tax	744	641
	<u>941</u>	<u>1,898</u>

No Hong Kong Profits Tax has been provided for the three months ended 31 March 2022 and 2021 as the Group did not have any assessable profit from Hong Kong for both periods.

The income tax provision in respect of operations in the People's Republic of China (the "PRC") is calculated at the corporate income tax ("CIT") rate of 25% on the estimated assessable profits for the three months ended 31 March 2022 and 2021 based on existing legislation, interpretations and practices in respect thereof. Certain subsidiaries of the Company have been designated as "Small-Scale and Low-Profit Enterprises" which are charged at the effective preferential CIT rates of 2.5% or 5% (31 March 2021: 5% or 10%) respectively on condition that the taxable income was no more than RMB1.0 million or between RMB1.0 million to RMB3.0 million for the three months ended 31 March 2022 and 2021.

The operation of the Group in the United States of America (the "United States") is subject to the United States Federal and State Income Tax. For the three months ended 31 March 2022 and 2021, the United States Federal and State Income Tax has not been provided as the Group did not generate any assessable profit in the United States.

Under the United States domestic tax laws, a foreign person is subject to 30% income tax on the gross amount of certain United States-source (non-business) income. As such, withholding tax is provided at 30% for the interest income derived from the loans to a wholly-owned subsidiary in the United States by the Company for the three months ended 31 March 2022 and 2021.

6. Dividends

The Board does not recommend the payment of a dividend for the three months ended 31 March 2022 (31 March 2021: Nil).

7. 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 31 March	
	2022 HK\$'000	2021 HK\$'000
Loss attributable to owners of the Company	(28,204)	(3,173)

	For the three months ended 31 March	
	2022 '000	2021 '000
Issued ordinary shares at 1 January	2,487,705	2,073,089
Issue of new shares	–	363,941
Weighted average number of ordinary shares for basic loss per share	2,487,705	2,437,030
Weighted average number of ordinary shares for diluted loss per share	2,487,705	2,437,030
Loss per share:		
– Basic	(1.13) cents	(0.13) cent
– Diluted (<i>Note</i>)	(1.13) cents	(0.13) cent

Note:

Diluted loss per share is the same as the basic loss per share for the three months ended 31 March 2022 and 2021 because the potential new ordinary shares to be issued on exercise of the outstanding share options under the Company's share option scheme have an anti-dilutive effect on the basic loss per share during the respective periods.

8. Approval of the unaudited condensed consolidated financial statements

The unaudited condensed consolidated financial statements were approved by the Board on 10 May 2022.

MANAGEMENT DISCUSSION AND ANALYSIS

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

BUSINESS REVIEW AND PROSPECT

IHA Business

During the three months ended 31 March 2022 (the “Period”), the Group’s revenue from IHA business amounted to approximately HK\$26.5 million, representing a decrease of 11.4% compared with the same period of last fiscal year. The significant drop in the revenue was caused by the resurgence of novel coronavirus (“COVID-19”) pandemic, resulting in the disruption of global supply chains and decline in the distributed sales the IHA business.

IDC Business

The Group’s revenue generated from leasing of properties and facilities of IDC was decreased by 70.5% from approximately HK\$10.2 million for the three months ended 31 March 2021 to approximately HK\$3.0 million for the Period. The decline of the revenue was caused by the cease of rental income recorded from the disposed Shanghai IDC.

Investing Business

The Group’s investing segment was principally engaged in the trading of securities and investing in digital assets and financial instruments including private investment funds and unlisted equity securities.

The Group recorded a net fair value loss on financial assets at fair value through profit or loss of approximately HK\$10.8 million (31 March 2021: net gain of approximately HK\$9.7 million) for the Period. The prospects of the stock market remain uncertain due to the unresolved Russian-Ukrainian crisis and prolong outbreak of COVID-19 resulting in material impact to the macroeconomy. Considering the post economic recession from COVID-19, the Group has adopted a prudent manner on the stock market.

Leasing Business

The leasing segment of the Group comprised of leasing out of properties. The rental income from the segment was approximately HK\$2.3 million (31 March 2021: approximately HK\$2.2 million), representing an increase of 3.7% compared with the same period of last fiscal year.

FINANCIAL REVIEW

Revenue and Gross Profit

The Group recorded approximately HK\$29.5 million (31 March 2021: approximately HK\$40.1 million) of revenue, representing a significant decrease of 26.4% as compared with the same period of last fiscal year. The decrease was mainly attributed to the decline of revenue from the IDC business, which was caused by the cease of rental income recorded from the disposed Shanghai IDC. Due to the cost inflation of raw materials, the gross profits decreased from approximately HK\$9.3 million for the three months ended 31 March 2021 to approximately HK\$1.0 million for the Period.

Operating Result

Other Revenue and Net Loss

As a result of the adverse stock market performance causing by the Russia-Ukrainian crisis and the outbreak of COVID-19, the Group recorded a net loss of approximately HK\$3.8 million (31 March 2021: net income of approximately HK\$15.4 million) from other revenue and net loss for the Period.

Operating Expenses

The Group's distribution and selling expenses increased by 24.6% to approximately HK\$2.1 million (31 March 2021: approximately HK\$1.7 million) for the Period. The increase was primarily driven by greater marketing spending on the distribution of the Group's new products from IHA businesses. As a result of the tightened cost measures, the general and administrative expenses had been decreased by 6.6% to approximately HK\$21.6 million (31 March 2021: approximately HK\$23.2 million) for the Period.

Finance Costs

The finance costs of the Group decreased by 8.7% to approximately HK\$0.6 million (31 March 2021: approximately HK\$0.7 million) for the Period after the reduction in debt financing.

Loss for the Period

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately HK\$28.2 million for the Period (31 March 2021: approximately HK\$3.2 million).

Liquidity and Financial Resources

As at 31 March 2022, the Group had net current assets of approximately HK\$825.0 million. The Group had cash and bank balances of approximately HK\$402.8 million and pledged bank deposits of approximately HK\$0.2 million respectively. The financial resources were funded mainly by both debt and equity financing.

The current ratio, as calculated by dividing current assets by current liabilities, was 3.3 times (31 December 2021: 3.2 times) as at 31 March 2022. The gearing ratio, as measured by total liabilities divided by total equity, was 19.0% (31 December 2021: 19.9%) as at 31 March 2022.

Contingent Liabilities

The Group had no contingent liabilities as at 31 March 2022 (31 December 2021: Nil).

Charges on Group Assets

As at 31 March 2022, the Group had approximately HK\$141.5 million (31 December 2021: approximately HK\$154.2 million) of assets being pledged to secure the loan granted to the Group.

Capital Structure

As at 31 March 2022, the Group had shareholder's capital of approximately HK\$62.2 million (31 December 2021: approximately HK\$62.2 million). The shareholder's capital of the Company is constituted of 2,487,704,800 shares (31 December 2021: 2,487,704,800 shares).

Issues of Listed Securities of the Company and the Use of Proceeds

A summary of the issue of listed securities by the Company during last year and the relevant use of proceeds is set out below:

Date of announcement	30 December 2020
Date of completion	12 January 2021
Name of subscriber(s)	Cedar Surplus Investments Limited and Mr. Zhu Weisha
Number of shares issued	414,616,000
Class of shares issued	Ordinary shares
Issue of price per share	HK\$0.20
Net price per share	HK\$0.199
Aggregate nominal value of share issued	HK\$10,365,400
Closing price per share on which the terms of the issue were fixed	HK\$0.199 (as at 30 December 2020)
Gross proceeds	approximately HK\$82.9 million
Net proceeds	approximately HK\$82.7 million
Reason for the issue	The Board considered that the issue of shares would provide a good opportunity to raise additional funds to be used for (i) the development of the major operating businesses of IDC; (ii) the development of the major operating businesses of IHA; and (iii) general working capital purposes.

The below table sets out the intended use of net proceeds, utilisation and the remaining balance of the net proceeds as at 31 March 2022:

	Intended use of net proceeds <i>HK\$'000</i>	Utilisation <i>HK\$'000</i>	Remaining balance as at 31 March 2022 <i>HK\$'000</i>
IDC business	66,179	66,179	–
IHA business	8,272	8,272	–
General working capital	<u>8,272</u>	<u>8,272</u>	<u>–</u>
Total	<u>82,723</u>	<u>82,723</u>	<u>–</u>

The net proceeds were used according to the intentions previously disclosed by the Company.

Significant Investments/Material Acquisitions and Disposals

The Group had no significant investment and material acquisitions or disposal of subsidiaries, associates and joint ventures during the Period.

Future Plans for Material Investments and Capital Assets

There is no other plan for material investments or capital assets as at 31 March 2022.

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. The key risks and uncertainties to which the Group is subject are summarized as follows:

- (i) The revenue of the Group is difficult to predict and may be volatile in any given reporting period owing to the tightened supply of microchips as the raw materials of the distributed products of the IHA business;
- (ii) The Group may be potentially exposed to the growth in cost pressures from raw materials of the distributed products of the IHA business;
- (iii) The IHA business may be threatened by fierce competition on the rapid iteration of technological products;
- (iv) The subcontractors of the IDC construction may fail to complete as scheduled and on the unsatisfactory quality of the work may incur extra cost to the Group to complete the work owing to the prolonged situation of the COVID-19 pandemic;
- (v) The service and rental income from US IDC may fail to meet the expectation due to the spread of COVID-19 pandemic and the economic crisis from pandemic recession;
- (vi) The investment return from the stock market may be subject to frequent changes of market policies and regulations;
- (vii) The value of digital assets held by the Group may be subject to volatile market prices, impairment and unique risks of loss such as cyberattacks, human errors or computer malfunctions;
- (viii) The Group may face regulatory challenges to or limitation on the Group's digital asset investment; and
- (ix) The Group may be impacted by macroeconomic conditions resulting from the global COVID-19 pandemic.

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 environmental protection issues into consideration during daily operations. The Group does not produce material waste nor emits material quantities of air pollutants. The Group also strives to minimize the adverse environmental impacts by encouraging the employees to recycle office supplies and other materials and save electricity.

Compliance with Laws and Regulations

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

RESERVES

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

DIVIDENDS

The Board has not declared a dividend for the Period (31 March 2021: Nil).

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

As at 31 March 2022, the interests or short positions of the Directors and chief executive of the Company in the shares (the "Shares"), underlying shares and/or debentures of the Company and/or any of its associated corporations (within the meanings of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise 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 Directors	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	0.19%
Mr. Cong Yu	Personal	741,379,800	Interest of a controlled corporation	29.80%
Mr. Gao Fei	Personal	2,190,000	Beneficial owner	0.09%
Mr. Shi Guangrong	Personal	22,660,000	Beneficial owner	0.91%
Mr. Zhu Jiang	Personal	7,926,756	Beneficial owner	0.32%
Ms. Shen Yan	Personal	324,000	Beneficial owner	0.01%

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

Pursuant to the share option scheme of the Company approved by the shareholders of the Company (the "Shareholders") on 14 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 31 March 2022 were as follows:

Name of grantees	Date of grant	Exercise price per Share HK\$	Exercisable period	Number of Shares issuable under the share options				
				Outstanding as at 1 January 2022	Granted during the Period	Exercised during the Period	Lapsed during the Period	Outstanding as at 31 March 2022
Directors								
Mr. Li Qiang	30.08.2019	0.33	30.08.2019 – 29.08.2022	2,000,000	–	–	–	2,000,000
Mr. Gao Fei	30.08.2019	0.33	30.08.2019 – 29.08.2022	2,000,000	–	–	–	2,000,000
Mr. Shi Guangrong	30.08.2019	0.33	30.08.2019 – 29.08.2022	13,000,000	–	–	–	13,000,000
Mr. Zhu Jiang	30.08.2019	0.33	30.08.2019 – 29.08.2022	13,000,000	–	–	–	13,000,000
Ms. Shen Yan	30.08.2019	0.33	30.08.2019 – 29.08.2022	1,000,000	–	–	–	1,000,000
Ms. Dong Hairong	30.08.2019	0.33	30.08.2019 – 29.08.2022	2,000,000	–	–	–	2,000,000
				33,000,000	–	–	–	33,000,000

Save as disclosed above, as at 31 March 2022, none of the Directors or chief executive of the Company had any interests or short positions in any Shares, underlying shares and/or debentures of the Company and/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 otherwise 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 AND UNDERLYING SHARES

Based on the information provided to the Company in notices filed, as at 31 March 2022, the entities and/or persons or corporations who had any interests or short positions in the Shares and/or underlying shares of the Company which fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO or had otherwise notified to the Company were as follows:

Long positions in the shares and underlying 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
Unicorn Resources Inc. ("Unicorn") (Note 1)	Corporate	741,379,800	Beneficial owner	29.80%
Cedar Surplus Investments Limited ("Cedar Surplus") (Note 1)	Corporate	741,379,800	Interest of a controlled corporation	29.80%
Mr. Cong Yu (Note 1)	Personal	741,379,800	Interest of a controlled corporation	29.80%
Mr. Zhu Weisha (Note 2)	Personal	741,379,800	Interest of a controlled corporation	29.80%
		19,000,000	Beneficial owner	0.76%
Honbridge Holdings Limited (Stock Code: 8137) ("Honbridge") (Note 3)	Corporate	351,867,200	Beneficial owner	14.14%
Hong Bridge Capital Limited ("Hong Bridge") (Note 3)	Corporate	351,867,200	Interest of a controlled corporation	14.14%
Mr. He Xuechu (Note 4)	Personal	351,867,200	Interest of a controlled corporation	14.14%
		300,000	Interest of spouse	0.01%
Ms. Foo Yatyan (Note 4)	Personal	351,867,200	Interest of spouse	14.14%
		300,000	Beneficial owner	0.01%

Notes:

1. Unicorn is the beneficial owner of 741,379,800 Shares. Cedar Surplus holds 55% interest in Unicorn and it is deemed to be interested in the 741,379,800 Shares held by Unicorn. Mr. Cong Yu holds 100% interest in Cedar Surplus (which holds 55% interest in Unicorn) and he is therefore deemed to be interested in the 741,379,800 Shares held by Unicorn.
2. Mr. Zhu Weisha holds 45% interest in Unicorn and he is deemed to be interested in the 741,379,800 Shares held by Unicorn. The remaining interest in 19,000,000 Shares is beneficially owned by Mr. Zhu Weishu, representing 19,000,000 underlying shares in respect of the share options granted by the Company on 30 August 2019.
3. Honbridge is the beneficial owner of 351,867,200 Shares. Hong Bridge holds 41.25% interest in Honbridge and it is deemed to be interested in the 351,867,200 Shares held by Honbridge.
4. Mr. He Xuechu holds 51% interest in Hong Bridge (which holds 41.25% interest in Honbridge) and he is therefore deemed to be interested in the 351,867,200 Shares held by Honbridge. Ms. Foo Yatyan is the beneficial owner of 300,000 Shares. As Ms. Foo Yatyan is the spouse of Mr. He Xuechu, Ms. Foo Yatyan is deemed to be interested in all the Shares in which Mr. He Xuechu is interested and Mr. He Xuechu is deemed to be interested in all the Shares in which Ms. Foo Yatyan is interested.
5. Based on a total of 2,487,704,800 Shares as at 31 March 2022.

Save as disclosed above, as at 31 March 2022, the Directors are not aware of any persons or corporations who had any interests or short positions in the Shares and/or underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

MANAGEMENT CONTRACTS

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

COMPETING INTERESTS

None of the Directors or the controlling Shareholders and their respective 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"). It currently comprises three independent non-executive Directors, namely Ms. Shen Yan (Chairlady), Ms. Dong Hairong and Ms. Huo Qiwei. None of the members of the Audit Committee is a former partner of the auditor of the Company. The principal duties of the Audit Committee are to assist the Board in reviewing the financial information, overseeing the Company's financial reporting system, risk management, internal control systems and relationship with the 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 not been audited but have been reviewed by the Audit Committee pursuant to the relevant provisions contained in the CG Code. The Audit Committee was of the opinion that the preparation of such statements complied with applicable accounting standards and that adequate disclosure has been made in respect thereof.

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

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

SECURITIES TRANSACTIONS BY DIRECTORS

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

By order of the Board

Yuxing InfoTech Investment Holdings Limited

Cong Yu

Executive Director and Chief Executive Officer

Hong Kong, 10 May 2022

As at the date hereof, the executive Directors 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 are Ms. Shen Yan, Ms. Dong Hairong and Ms. Huo Qiwei.