

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 ACQUISITION OF MACHINES

ACQUISITION OF MACHINES

The Board wishes to announce that on 16 May 2022 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor entered into the SP Agreement pursuant to which the Purchaser has agreed to purchase the Machines from the Vendor at the Consideration of HK\$60,121,000.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of (i) the Acquisition of Machines itself; and (ii) the Acquisition of Machines in aggregate in the Previous Acquisition is more than 5% but is less than 25%, each of (i) the Acquisition of Machines itself; and (ii) the Acquisition of Machines in aggregate in the Previous Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

ACQUISITION OF MACHINES

The Board wishes to announce that on 16 May 2022 (after trading hours), the Purchaser, a direct wholly-owned subsidiary of the Company, and the Vendor entered into the SP Agreement pursuant to which the Purchaser has agreed to purchase the Machines from the Vendor at the Consideration of HK\$60,121,000.

A summary of the principal terms of the SP Agreement are set out below:

Date

16 May 2022

Parties

- (a) Purchaser: Rich Universe International Limited, a direct wholly-owned subsidiary of the Company; and
- (b) Vendor: Inno Century Limited, a company incorporated in Hong Kong with limited liability and the principal business of which is trading business

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

Consideration

The Consideration of HK\$60,121,000 shall be fully settled by the Purchaser to the Vendor in cash within 3 calendar months after receipts of the Machines by the Purchaser.

Basis of consideration

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendor on normal commercial terms with reference to (i) the quotations obtained from independent third parties for brand new equipment comparable to the Machines; and (ii) the reasons for and benefits of the entering into of the SP Agreement as set out in the section headed "Reasons for and benefits of the Acquisition of Machines" of this announcement. The Acquisition of Machines will be funded by the Group's internal resources.

Assets to be acquired of

The Machines for cryptocurrency mining, being 6,832 sets of Bitmain Antminer T17E.

Delivery

The Machines shall be delivered by the no later than 31 July 2022.

Termination

The Purchaser shall not be obliged to purchase the Machines if there has been a change in law after the date of the SP Agreement and before the delivery of the Machines which would or may make it unlawful for the Purchaser to use the Machines.

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in Hong Kong with limited liability and is principally engaged in trading business.

As at the date of this announcement, the Vendor is an indirect wholly-owned subsidiary of Global Token. Yuxing Technology Company Limited (an indirect wholly-owned subsidiary of the Company) is interested in approximately 7.8% of the issued shares of Global Token. Mr. Zhu Weisha holds 45% interest in Unicorn Resources Inc. and he is deemed to be interested in approximately 29.80% of the issued shares of the Company and is also interested in approximately 9.02% of the issued shares of Global Token. To the best of the Directors' knowledge, after making all reasonable enquiries, as at the date of this announcement, the single largest beneficial owner of Global Token is Mr. Sun Li Jun who holds 12.50% of the issued shares of Global Token.

Saved as disclosed above, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor and its ultimate beneficial owners are Independent Third Parties.

INFORMATION ON THE PURCHASER AND THE GROUP

The Purchaser is a company incorporated in Hong Kong with limited liability and is a direct wholly-owned subsidiary of the Company. The Purchaser is principally engaged in investment activities.

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

REASONS FOR AND BENEFITS OF THE ACQUISITION OF MACHINES

The Group intends to utilise the Machines for Bitcoin mining, which in turn, would allow the Group to hold Bitcoin for asset appreciation purpose.

Bitcoin is a major cryptocurrency and has several features that enable it to be a good alternative store of value, such as being limited in supply, its exchangeability into fiat money or goods and services, portability, and its potential to act as an effective hedge against depreciation of fiat currencies due to aggressive increase in money supply by central banks globally. The Board has seen growing momentum in the consensus building process by seeing an increasing number of listed companies purchasing cryptocurrencies as part of their treasury management, as well as considering accepting cryptocurrency as a form of payment for their goods and services, the ease of access to cryptocurrencies has also been improving, as reflected by reputable banks providing cryptocurrencies trading and custody services, regulators have also commenced licensing cryptocurrency trading platforms that could enhance investor confidence and safety in dealing in cryptocurrencies.

Having considered that (i) the price of Bitcoin continues to rise on a long-term basis; (ii) more and more institutional investors started to invest in Bitcoin; and (iii) with the evaluation of the traditional currencies due to quantitative easing measures adopted by various governments in stimulating the economy, there is a sign that Bitcoin is getting viewed as an asset given that its limited supply, the Board is of the view that the Acquisition of Machines provides the Group with good investment opportunities to sufficiently and efficiently expand its investment portfolio.

Based on the above, the Directors are of the view that the terms of the SP Agreement are on normal commercial terms and the terms of the Acquisition of Machines are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of (i) the Acquisition of Machines itself; and (ii) the Acquisition of Machines in aggregate in the Previous Acquisition is more than 5% but is less than 25%, each of (i) the Acquisition of Machines itself; and (ii) the Acquisition of Machines in aggregate in the Previous Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition of Machines”	the acquisition of the Machines pursuant to the SP Agreement
“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)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the sum of HK\$60,121,000, being the consideration of the purchase of the Machines payable by the Purchaser to the Vendor for the Acquisition of Machines
“Director(s)”	the director(s) of the Company

“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Global Token”	Global Token Limited, a company incorporated in Bermuda with limited liability
“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
“Independent Third Party/(ies)”	person(s) who, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons
“Machines”	6,832 sets of Bitmain Antminer T17E
“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
“Purchaser”	Rich Universe International Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company
“Previous Acquisition”	previous acquisitions by the Purchaser of 10,500 sets of Bitmain Antminer T17E from the Vendor in September 2021, particulars of which are disclosed in the Company’s announcement dated 14 September 2021
“Shareholder(s)”	shareholder(s) of the Company
“SP Agreement”	the agreement dated 16 May 2022 entered between the Purchaser and the Vendor in relation to the Acquisition of Machines
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Vendor” Inno Century Limited, a company incorporated in Hong Kong with limited liability

“%” per cent.

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

Hong Kong, 16 May 2022

* *For identification purposes only*

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; and the independent non-executive Directors 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 Listed Company Information” 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.