



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)

THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 30TH SEPTEMBER 2012

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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 the GEM of the 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 in this announcement misleading.



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HIGHLIGHTS FOR THE NINE-MONTH PERIOD

- For the nine months and three months ended 30th September 2012, turnover of the Group was approximately HK\$616.1 million and HK\$170.8 million respectively, representing a significant improvement of 56.7% and 46.7% respectively in comparison to the corresponding periods in 2011.
- For the nine months and three months ended 30th September 2012, gross profit of the Group increased by 28.5% and 16.6% respectively to approximately HK\$75.1 million and HK\$17.5 million as compared with the corresponding periods of last year.
- Profit attributable to owners of the parent for the nine months and three months ended 30th September 2012 amounted to approximately HK\$27.1 million and HK\$13.8 million respectively, representing a decrease of 10.1% and 44.1% respectively as compared with the corresponding periods of last year.
- Basic earnings per share of the Group for the nine months and three months ended 30th September 2012 were HK1.56 cents and HK0.79 cent respectively.
- The Board does not recommend the payment of any interim dividend for the nine months ended 30th September 2012.

NINE-MONTH RESULTS (UNAUDITED)

The board of Directors (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “Group”) for the nine months and three months ended 30th September 2012 together with the comparative unaudited figures for the corresponding periods in 2011, prepared in accordance with generally accepted accounting principles in Hong Kong, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the nine months and three months ended 30th September 2012

	Notes	For the nine months ended 30th September		For the three months ended 30th September	
		2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Turnover	2	616,083	393,272	170,820	116,424
Cost of sales		(540,968)	(334,826)	(153,286)	(101,380)
Gross profit		75,115	58,446	17,534	15,044
Other revenue and net income		7,485	38,229	1,370	35,788
Distribution and selling expenses		(13,697)	(11,787)	(3,035)	(3,454)
General and administrative expenses		(53,889)	(43,897)	(15,692)	(13,962)
Other operating expenses		(2,031)	(12,292)	(396)	(7,443)
Fair value gain on investment properties		5,330	4,940	–	–
Profit/(loss) from operations		18,313	33,639	(219)	25,973
Finance costs		(5,694)	(3,106)	(1,760)	(1,155)
Share of results of a jointly controlled entity		15,906	–	15,906	–
Profit before taxation		28,525	30,533	13,927	24,818
Taxation	3	(1,408)	(383)	(111)	(121)
Profit attributable to owners of the parent		<u>27,117</u>	<u>30,150</u>	<u>13,816</u>	<u>24,697</u>
Earnings per share	4				
– Basic		<u>1.56 cents</u>	<u>1.74 cents</u>	<u>0.79 cent</u>	<u>1.42 cents</u>
– Diluted		<u>1.53 cents</u>	<u>1.71 cents</u>	<u>0.78 cent</u>	<u>1.40 cents</u>

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

For the nine months and three months ended 30th September 2012

	For the nine months ended 30th September		For the three months ended 30th September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Profit attributable to owners of the parent	27,117	30,150	13,816	24,697
Other comprehensive income/(loss):				
Change in fair value of available-for-sale financial assets	690,061	(1,253,766)	–	(1,006,480)
Share of other comprehensive loss of a jointly controlled entity	(273,519)	–	(307,927)	–
Exchange differences arising on translation of PRC subsidiaries	(21,677)	141,311	(9,338)	67,182
Other comprehensive income/(loss) for the period	<u>394,865</u>	<u>(1,112,455)</u>	<u>(317,265)</u>	<u>(939,298)</u>
Total comprehensive income/(loss) attributable to owners of the parent	<u>421,982</u>	<u>(1,082,305)</u>	<u>(303,449)</u>	<u>(914,601)</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

For the nine months ended 30th September 2012

	Attributable to owners of the parent								
	Share capital HK\$'000	Share premium HK\$'000	Statutory reserves HK\$'000	Contributed surplus HK\$'000	Share option reserves HK\$'000	Investment revaluation reserves HK\$'000	Translation reserves HK\$'000	Retained profits HK\$'000	Total equity HK\$'000
At 1st January 2012	43,378	37,003	20,190	234,621	30,336	1,103,488	686,287	106,371	2,261,674
Profit for the period	-	-	-	-	-	-	-	27,117	27,117
Other comprehensive income:									
Change in fair value of available-for-sale financial assets	-	-	-	-	-	690,061	-	-	690,061
Share of other comprehensive loss of a jointly controlled entity	-	-	-	-	-	(273,519)	-	-	(273,519)
Exchange differences arising on translation of PRC subsidiaries	-	-	-	-	-	-	(21,677)	-	(21,677)
Total other comprehensive income	-	-	-	-	-	416,542	(21,677)	-	394,865
Total comprehensive income for the period	-	-	-	-	-	416,542	(21,677)	27,117	421,982
Transactions with owners:									
Issue of shares under share option scheme	293	3,192	-	-	-	-	-	-	3,485
Total transactions with owners	293	3,192	-	-	-	-	-	-	3,485
At 30th September 2012	<u>43,671</u>	<u>40,195</u>	<u>20,190</u>	<u>234,621</u>	<u>30,336</u>	<u>1,520,030</u>	<u>664,610</u>	<u>133,488</u>	<u>2,687,141</u>
At 1st January 2011	43,355	36,691	20,190	234,621	30,398	2,363,238	524,624	72,387	3,325,504
Profit for the period	-	-	-	-	-	-	-	30,150	30,150
Other comprehensive loss:									
Change in fair value of available-for-sale financial assets	-	-	-	-	-	(1,253,766)	-	-	(1,253,766)
Exchange differences arising on translation of PRC subsidiaries	-	-	-	-	-	-	141,311	-	141,311
Total other comprehensive loss	-	-	-	-	-	(1,253,766)	141,311	-	(1,112,455)
Total comprehensive loss for the period	-	-	-	-	-	(1,253,766)	141,311	30,150	(1,082,305)
Transactions with owners:									
Issue of shares under share option scheme	8	87	-	-	-	-	-	-	95
Total transactions with owners	8	87	-	-	-	-	-	-	95
At 30th September 2011	<u>43,363</u>	<u>36,778</u>	<u>20,190</u>	<u>234,621</u>	<u>30,398</u>	<u>1,109,472</u>	<u>665,935</u>	<u>102,537</u>	<u>2,243,294</u>

Notes:

1 Basis of preparation

The Group's unaudited condensed consolidated financial statements for the nine months ended 30th September 2012 have been prepared in accordance with the Hong Kong Accounting Standards ("HKAS") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and with applicable disclosure provisions of the Rules Governing The Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited. The accounts 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 2011. They have been prepared on the historical cost basis, except for investment properties, available-for-sale financial assets and financial assets at fair value through profit or loss, which are measured at fair value.

The accounting policies and methods of computation applied in preparation of these unaudited condensed consolidated financial statements are consistent with those applied in preparing the Group's financial statements for the year ended 31st December 2011. The adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual HKFRSs, HKAS and interpretations issued by the HKICPA that are relevant to the Group and effective from the current period, did not have any significant effect on the financial position or performance of the Group.

At the date of authorisation of these unaudited condensed consolidated financial statements, the HKICPA has issued a number of new/revised HKFRSs that are not yet effective for the current period, which the Group has not early adopted. The Group is in the process of assessing the possible impact on the future adoption of these new/revised HKFRSs, but are not yet in a position to reasonably estimate their impact on the Group's consolidated financial statements.

2 Turnover

Turnover, 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 the manufacturing, sales and distribution of information home appliances and its complementary products to consumer markets.

3 Taxation

The taxation charged to profit or loss represents:

	For the nine months ended 30th September		For the three months ended 30th September	
	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
PRC enterprise income tax	<u>1,408</u>	<u>383</u>	<u>111</u>	<u>121</u>

The income tax provision in respect of operations in the People's Republic of China (other than Hong Kong and Macau) (the "PRC") is calculated at the applicable tax rate of 25% on the estimated assessable profits for the nine months and three months ended 30th September 2012 and 2011 based on existing legislation, interpretations and practices in respect thereof.

No Hong Kong Profits Tax has been provided for the nine months and three months ended 30th September 2012 and 2011 as the Group did not have any assessable profit from Hong Kong for both periods.

4 Earnings per share

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

	For the nine months ended 30th September		For the three months ended 30th September	
	2012 HK\$'000	2011 HK\$'000	2012 HK\$'000	2011 HK\$'000
Profit attributable to owners of the parent	<u>27,117</u>	<u>30,150</u>	<u>13,816</u>	<u>24,697</u>
	For the nine months ended 30th September		For the three months ended 30th September	
	2012 '000	2011 '000	2012 '000	2011 '000
Issued ordinary shares at 1st January	1,735,120	1,734,200	–	–
Issued ordinary shares at 1st July	–	–	1,744,562	1,734,256
Effect of share options exercised	<u>5,482</u>	<u>58</u>	<u>1,190</u>	<u>90</u>
Weighted average number of ordinary shares for basic earnings per share	<u>1,740,602</u>	1,734,258	<u>1,745,752</u>	1,734,346
Effect of dilutive potential ordinary shares: Exercise of share options	<u>32,631</u>	<u>28,071</u>	<u>30,487</u>	<u>28,077</u>
Weighted average number of ordinary shares for diluted earnings per share	<u>1,773,233</u>	<u>1,762,329</u>	<u>1,776,239</u>	<u>1,762,423</u>
Earnings per share:				
– Basic	<u>1.56 cents</u>	<u>1.74 cents</u>	<u>0.79 cent</u>	<u>1.42 cents</u>
– Diluted *	<u>1.53 cents</u>	<u>1.71 cents</u>	<u>0.78 cent</u>	<u>1.40 cents</u>

* The calculation of diluted earnings per share for the nine months and three months ended 30th September 2012 is based on the profit attributable to owners of the parent of approximately HK\$27,117,000 and HK\$13,816,000 respectively (for the nine months and three months ended 30th September 2011: approximately HK\$30,150,000 and HK\$24,697,000 respectively), and the weighted average number of ordinary shares issued during the periods of approximately 1,740,602,000 shares and 1,745,752,000 shares respectively (for the nine months and three months ended 30th September 2011: approximately 1,734,258,000 shares and 1,734,346,000 shares respectively) after adjusting for the number of dilutive potential ordinary shares arising from the outstanding share options granted under the Company's share option scheme.

RESERVES

Movements in the reserves of the Group for the nine months ended 30th September 2012 (the “Period”) are set out in the unaudited condensed consolidated statement of changes in equity of the financial statements.

DIVIDENDS

The Board does not recommend the payment of any interim dividend for the Period (for the nine months ended 30th September 2011: Nil).

FINANCIAL AND BUSINESS REVIEW

During the period under review, the Group’s business achieved remarkable performance, with the overall turnover and gross profit amounted to approximately HK\$616.1 million and HK\$75.1 million respectively for the Period, representing a substantial increase of 56.7% and 28.5% respectively as compared with the same period of last year. This increase was mainly attributable to the rapid growth of the global internet protocol television (“IPTV”) market as well as the right positioning of the Group’s products, which had successfully captured demand of users. Besides, the Group, with its established technology and premium customer service, has won long-lasting reliance and trust from its business partners and customers.

Having benefited from the rapid growth of domestic IPTV market, the Group continued to expand its market share by launching its various types of set-top boxes (“STB”) in different provinces and municipalities through the largest telecommunication equipment and system provider in the People’s Republic of China (other than Hong Kong and Macau) (the “PRC”). Consequently, the Group hit its new sales record in the PRC amounting to approximately HK\$396.5 million for the Period, representing a surge of 48.3% as compared with the same period of last year.

In the overseas market, the Group’s products provided quality new entertainment experience to the end users not only in the IPTV sector, but also in the music and video sector. Meanwhile, the Group maintained good cooperation relationship with various existing telecommunication operators and system integration suppliers. The Group has managed to forward continuous shipments of its products to customers in Australia, Spain and Sweden, etc, and secured a stable market position in these markets. The Group’s sales in overseas markets are on the rise, with its turnover amounting to approximately HK\$180.5 million for the Period, representing a significant increase of 139.4% as compared with the same period of last year.

As one of the leading suppliers of IPTV STB in Hong Kong, the Group maintained great cooperation with a Hong Kong telecommunication operator in its marketing activities. The launch of its high digital STB in the market received good response from users in the third quarter of 2012, resulting the Group’s turnover in Hong Kong for the three months ended 30th September 2012 reaching approximately HK\$17.6 million, representing an increase of 6.8% as compared with the same period of last year.

With the significant increase of the Group's turnover, the Group's selling expenses for the Period also increased by 16.2% to approximately HK\$13.7 million as compared with the same period of last year. At the same time, the Group's general and administrative expenses for the Period increased by 22.8% to approximately HK\$53.9 million as compared with the corresponding period in 2011. Moreover, to further expand and develop business, the Group has increased its short-term bank borrowings during the period under review, causing an increase in the finance costs of the Group to approximately HK\$5.7 million for the Period (for the nine months ended 30th September 2011: approximately HK\$3.1 million).

The Group's other operating expenses decreased to approximately HK\$2.0 million for the Period (for the nine months ended 30th September 2011: approximately HK\$12.3 million). The main reason was that the Group recorded realised and unrealised losses on certain financial assets totaling approximately HK\$0.3 million for the Period (for the nine months ended 30th September 2011: approximately HK\$10.3 million).

In addition, the other revenue and net income of the Group for the Period decreased by 80.4% to approximately HK\$7.5 million as compared with the corresponding period in the last year (for the nine months ended 30th September 2011: approximately HK\$38.2 million). Reference is made to the announcements of the Company dated 15th May 2012 and 29th June 2012, another shareholder of Gongbujiangda Jiangnan Industrial Development Company Limited ("JI") had agreed to transfer its 63.34% equity interest in JI (the "JI Share Transfer") to 林芝正大環球投資有限公司 (the "New JI Shareholder"). In the meantime, Beijing Golden Yuxing Electronics and Technology Company Limited ("Golden Yuxing"), a wholly-owned subsidiary of the Company, entered into a bilateral agreement (the "Agreement") with the New JI Shareholder on 8th June 2012 for the purpose of governing their respective interests in A shares of Ping An Insurance (Group) Company of China Limited ("Ping An Shares") through their equity interests in JI. The Agreement became effective immediately upon completion of the relevant registration of JI Share Transfer on 14th June 2012. According to the Agreement, all significant matters of JI have to be approved by both shareholders. In the opinion of the Directors, both Golden Yuxing and the New JI Shareholder share joint control over the economic activities of JI and none of the participating parties has unilateral control over the economic activities of JI. On 14th June 2012, the Group ceased to recognise the 36.66% equity interest in JI held by the Group as available-for-sale financial assets and the fair value of the Group's 36.66% equity interest in JI as at 14th June 2012 was recognised as interest in a jointly controlled entity, which was treated as deemed cost. As a result, the Group recognised the share of results of a jointly controlled entity of approximately HK\$15.9 million for the Period, which was a major contribution to the profit of the Group for the Period. On the other hand, the Group recognised the dividend incomes from its indirect investment in 51 million Ping An Shares in other revenue and net income of approximately HK\$33.6 million for the nine months ended 30th September 2011. Consequently, the Group recorded a profit attributable to owners of the parent of approximately HK\$27.1 million and HK\$13.8 million respectively for the Period and the three months ended 30th September 2012, which represented a decrease of 10.1% and 44.1% respectively in comparison to the corresponding periods in 2011.

Besides, according to the Company's announcement dated 22nd October 2009, the Intermediate People's Court of Foshan, Guangdong Province, PRC issued a Notice of Enforcement to JI on 4th September 2009, ordering JI to assist in freezing Golden Yuxing's 36.66% equity interest in JI and its dividend entitlements held by Golden Yuxing and suspending the payment of dividends attributable to Golden Yuxing in respect of its equity interest in JI, for a period from 7th September 2009 to 6th September 2011. As stated in the Company's announcement dated 27th October 2011 and 31st October 2012, this freezing period was extended from September 2011 to September 2012 and was further extended from September 2012 to September 2013. According to the legal opinion dated 9th August 2012 from the Group's PRC lawyers, Golden Yuxing is legally entitled to receive the dividends from JI but the suspension of the dividend payment is still effective.

In relation to the litigation between Guangdong Jianlibao Group Company Limited (“JLB Group”), Sanshui Jianlibao Health Industry Investment Company Limited and Golden Yuxing, in respect of the 36.66% equity interest in JI (the “Litigation”), in June 2012, the Group received a letter ((2008) Yue Gao Fa Min Er Chu Zi No. 9-1) issued on 18th June 2012 by the Higher People’s Court of the Guangdong Province in the PRC (the “Guangdong Higher Court”) to Golden Yuxing, which suggested a settlement for the Litigation between Golden Yuxing and JLB Group. The Board, having sought professional advice and after deliberation, agreed that resolving the Litigation and all other on-going litigations with JLB Group by way of court settlement might be the most effective method to settle all legal disputes and achieve a better outcome for the development of the Company and for the benefit of its shareholders. The Board has therefore authorised the Company’s representatives and PRC lawyers to attend the settlement negotiation (the “Negotiation”) at the Guangdong Higher Court. However, no agreement has been reached by both parties under the Negotiation up to the date of this announcement. Given the circumstances, the Board has difficulty in estimating the amount of the settlement for legal disputes. Therefore, no provision has been made to the amount of the settlement but only a disclosure of this event has been made.

Even if there is any breakdown or termination of the Negotiation, based on the legal advice sought from its PRC lawyers, the Board is still of the view that all legal disputes initiated by JLB Group are based on unsubstantiated and invalid grounds. In addition, the Group has valid evidence to sufficiently ascertain its ownership of the 36.66% equity interest in JI.

BUSINESS PROSPECT

Being one of the pioneers engaging in the research and development of broadband STB, the Group has arrived at its harvest season after more than ten years of operation. With the IPTV market having entered into a period of steady growth around the world, in particular in the PRC, where nearly one-third of the PRC IPTV commercial stations of different provinces and municipals have employed the products of the Group.

Currently the Group is actively working with its cooperation partners on development and testing of high digital STB in order to provide customers with more diversified products. The Group intends to launch STB equipped with Android system by the end of this year. In addition, the Group has recently established new partnership with a Belgium telecommunication operator and is looking forward to successfully stepping into the IPTV market in Belgium in the near future.

As the Group’s principal business, IPTV STB business has now possessed good development prospect. Meanwhile, with its markets continuing to expand, the Group proposes to invest more resources in it with a belief to receive even better return in the near future.

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30th September 2012, 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 under Section 352 of the SFO, or as required, pursuant to the minimum standards for dealing by Directors as referred to in Rule 5.46 of the GEM Listing Rules, to be notified to the Company and the Exchange were as follows:

(1) Long positions in the ordinary shares of the Company

Name of Director	Nature of interests	Number of ordinary shares	Capacity	Percentage of the total issued share capital of the Company
Mr. Zhu Wei Sha	Corporate (<i>Note</i>)	660,000,000	Interest of a controlled corporation	37.78%
Mr. Chen Fu Rong	Personal	300,000	Beneficial owner	0.02%
	Corporate (<i>Note</i>)	660,000,000	Interest of a controlled corporation	37.78%
Mr. Shi Guang Rong	Personal	25,560,000	Beneficial owner	1.46%
Mr. Wang An Zhong	Personal	5,936,756	Beneficial owner	0.34%
Mr. Zhong Peng Rong	Personal	1,600,000	Beneficial owner	0.09%
Mr. Wu Jia Jun	Personal	1,600,000	Beneficial owner	0.09%

Note:

Messrs. Zhu Wei Sha and Chen Fu Rong held these shares through Super Dragon Co., Ltd. (“Super Dragon”), a company in which Messrs. Zhu Wei Sha and Chen Fu Rong held 63.6% and 36.4% of the entire issued share capital respectively. Both Mr. Zhu Wei Sha and Mr. Chen Fu Rong are directors of Super Dragon.

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

Pursuant to the share option scheme approved by the shareholders of the Company on 18th May 2003, the Directors were granted unlisted and physically settled share options to subscribe for shares in the Company in their capacity as beneficial owners, the details of which as at 30th September 2012 were as follows:

Name of Director	Date of grant	Exercise price per share HK\$	Exercisable period	Number of share options				
				As at 1st January 2012	Exercised during the period	Granted during the period	Forfeited during the period	As at 30th September 2012
Mr. Wang An Zhong	26th December 2006	0.2975	26th December 2006 – 17th May 2013	1,600,000	(800,000)	-	-	800,000
Mr. Wu Jia Jun	26th December 2006	0.2975	26th December 2006 – 17th May 2013	960,000	(960,000)	-	-	-
Mr. Zhong Peng Rong	26th December 2006	0.2975	26th December 2006 – 17th May 2013	1,600,000	(1,600,000)	-	-	-
Ms. Shen Yan	26th December 2006	0.2975	26th December 2006 – 17th May 2013	960,000	-	-	-	960,000
				<u>5,120,000</u>	<u>(3,360,000)</u>	<u>-</u>	<u>-</u>	<u>1,760,000</u>

Save as disclosed above, none of the Directors or chief executive of the Company had, as at 30th September 2012, 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 under Section 352 of the SFO, or as required to be notified to the Company and the Exchange pursuant to the minimum standards for dealing by directors as referred to in Rule 5.46 to the GEM Listing Rules.

INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS DISCLOSEABLE UNDER THE SFO

So far as is known to any Director or chief executive of the Company, as at 30th September 2012, the following is a list of the substantial shareholders (other than Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO:

Long positions in the ordinary shares of the Company

Name of shareholders	Nature of interests	Number of ordinary shares	Capacity	Percentage of the total issued share capital of the Company
Super Dragon (<i>Note</i>)	Corporate	660,000,000	Beneficial owner	37.78%
Gold Swiss Holdings Limited	Corporate	100,000,000	Beneficial owner	5.72%

Note:

Super Dragon is beneficially owned by Mr. Zhu Wei Sha, as to 63.6%, and Mr. Chen Fu Rong, as to 36.4% respectively. Both Mr. Zhu Wei Sha and Mr. Chen Fu Rong are directors of Super Dragon.

Save as disclosed above, as at 30th September 2012, 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 of the Company as recorded in the register required to be kept by the Company under Section 336 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 nine months ended 30th September 2012.

COMPETING INTERESTS

None of the Directors, the management, the shareholders of the Company or their respective associates (as defined in the GEM Listing Rules) had any interest in a business which competed or might compete with the business of the Group or had any other conflict of interest with the Group during the nine months ended 30th September 2012.

AUDIT COMMITTEE

The Company established an audit committee on 20th November 1999 with written terms of reference in compliance with the GEM Listing Rules.

The primary duties of the audit committee are to review and supervise the financial reporting process of the Group. It also reviews the effectiveness of both the external audit and internal controls and risk evaluation. The audit committee comprises three independent non-executive Directors, namely Mr. Wu Jia Jun, Mr. Zhong Peng Rong and Ms. Shen Yan (chairman of audit committee).

The Group's unaudited consolidated results for the nine months ended 30th September 2012 have been reviewed by the audit committee.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries has purchased, redeemed or sold any of the Company's listed securities during the nine months ended 30th September 2012.

SECURITIES TRANSACTIONS BY THE DIRECTORS

Although the Company has not adopted any code of conduct regarding the Directors' securities transactions, it has made specific enquiry with the Directors and the Directors have confirmed that they had complied with all the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules during the nine months ended 30th September 2012.

By Order of the Board
Yuxing InfoTech Investment Holdings Limited
Zhu Wei Sha
Chairman

Hong Kong, 12th November 2012

As at the date hereof, the executive directors of the Company are Mr. Zhu Wei Sha, Mr. Chen Fu Rong, Mr. Shi Guang Rong and Mr. Wang An Zhong; the independent non-executive directors are Mr. Wu Jia Jun, Mr. Zhong Peng Rong and Ms. Shen Yan.

This announcement will remain on the "Latest Company Announcements" page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.yuxing.com.cn.

* *For identification purposes only*