



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 RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31ST MARCH 2020

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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 GEM of the Stock 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 herein or this announcement misleading.



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HIGHLIGHTS FOR THE THREE-MONTH PERIOD

- For the three months ended 31st March 2020, overall revenue and gross profit of the Group amounted to approximately HK\$37.3 million and HK\$9.4 million respectively (three months ended 31st March 2019: approximately HK\$126.9 million and HK\$8.9 million respectively).
- Gross profit margin of information home appliances business of the Group has improved to 8.9% for the three months ended 31st March 2020 (three months ended 31st March 2019: 7.0%).
- Loss attributable to owners of the Company for the three months ended 31st March 2020 amounted to approximately HK\$76.1 million (three months ended 31st March 2019: profit attributable to owners of the Company of approximately HK\$110.3 million).
- Basic loss per share for the three months ended 31st March 2020 was HK\$0.04 (three months ended 31st March 2019: basic earnings per share HK\$0.06).
- Total equity attributable to owners of the Company as at 31st March 2020 was approximately HK\$2,017.1 million (31st December 2019: approximately HK\$2,106.6 million) or net asset value per share of approximately HK\$1.0 (31st December 2019: approximately HK\$1.0).
- The Board does not recommend the payment of interim dividend for the three months ended 31st March 2020 (three months ended 31st March 2019: 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 31st March 2020, together with the comparative unaudited figures for the same period in 2019, prepared in accordance with generally accepted accounting principles in Hong Kong, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT (UNAUDITED)

For the three months ended 31st March 2020

		For the three months ended	
		31st March	
	Notes	2020	2019
		HK\$'000	HK\$'000
Revenue	2	37,316	126,912
Cost of sales		<u>(27,931)</u>	<u>(117,993)</u>
Gross profit		9,385	8,919
Other revenue and net (loss)/income	3	(65,969)	125,786
Distribution and selling expenses		(1,393)	(2,197)
General and administrative expenses		(16,368)	(18,733)
Other operating expenses		<u>(349)</u>	<u>(1,548)</u>
(Loss)/Profit from operations		(74,694)	112,227
Finance costs		<u>(955)</u>	<u>(1,899)</u>
(Loss)/Profit before tax		(75,649)	110,328
Income tax expenses	4	<u>(549)</u>	<u>–</u>
(Loss)/Profit for the period		<u>(76,198)</u>	<u>110,328</u>
(Loss)/Profit attributable to:			
Owners of the Company		(76,071)	110,328
Non-controlling interests		<u>(127)</u>	<u>–</u>
		<u>(76,198)</u>	<u>110,328</u>
		HK\$	HK\$
(Loss)/Earnings per share	5		
– Basic		(0.04)	0.06
– Diluted		<u>(0.04)</u>	<u>0.06</u>

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

For the three months ended 31st March 2020

	For the three months ended	
	31st March	
	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>
(Loss)/Profit for the period	(76,198)	110,328
Other comprehensive (loss)/income:		
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of PRC subsidiaries	<u>(13,476)</u>	<u>14,393</u>
Other comprehensive (loss)/income for the period	<u>(13,476)</u>	<u>14,393</u>
Total comprehensive (loss)/income for the period	<u>(89,674)</u>	<u>124,721</u>
Total comprehensive (loss)/income attributable to:		
Owners of the Company	(89,547)	124,721
Non-controlling interests	<u>(127)</u>	<u>–</u>
	<u>(89,674)</u>	<u>124,721</u>

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)
For the three months ended 31st March 2020

	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 1st January 2020	51,827	207,499	8,668	234,621	60,582	26,113	885	25	1,516,408	2,106,628	(823)	2,105,805
Loss for the period	-	-	-	-	-	-	-	-	(76,071)	(76,071)	(127)	(76,198)
Other comprehensive loss:												
Exchange differences arising on translation of PRC subsidiaries	-	-	-	-	-	-	(13,476)	-	-	(13,476)	-	(13,476)
Total other comprehensive loss	-	-	-	-	-	-	(13,476)	-	-	(13,476)	-	(13,476)
Total comprehensive loss for the period	-	-	-	-	-	-	(13,476)	-	(76,071)	(89,547)	(127)	(89,674)
Transactions with owners:												
<i>Contributions and distributions</i>												
Share options lapsed	-	-	-	-	(50,159)	-	-	-	50,159	-	-	-
Total transactions with owners	-	-	-	-	(50,159)	-	-	-	50,159	-	-	-
As at 31st March 2020	51,827	207,499	8,668	234,621	10,423	26,113	(12,591)	25	1,490,496	2,017,081	(950)	2,016,131
As at 1st January 2019	45,077	133,249	8,668	234,621	55,612	24,540	16,752	-	1,469,413	1,987,932	-	1,987,932
Profit for the period	-	-	-	-	-	-	-	-	110,328	110,328	-	110,328
Other comprehensive income:												
Exchange differences arising on translation of PRC subsidiaries	-	-	-	-	-	-	14,393	-	-	14,393	-	14,393
Total other comprehensive income	-	-	-	-	-	-	14,393	-	-	14,393	-	14,393
Total comprehensive income for the period	-	-	-	-	-	-	14,393	-	110,328	124,721	-	124,721
Transactions with owners:												
<i>Contributions and distributions</i>												
Share options lapsed	-	-	-	-	(2,154)	-	-	-	2,154	-	-	-
Total transactions with owners	-	-	-	-	(2,154)	-	-	-	2,154	-	-	-
As at 31st March 2019	45,077	133,249	8,668	234,621	53,458	24,540	31,145	-	1,581,895	2,112,653	-	2,112,653

Notes:

1. Basis of preparation

The Group's unaudited condensed consolidated financial statements for the three months ended 31st March 2020 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 31st December 2019. They have been prepared on the historical cost basis, except for investment properties and financial assets and liabilities 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 31st December 2019, except for the adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") which are relevant to the Group's operation and are effective for the Group's financial year beginning on 1st January 2020 as described below.

Amendments to HKASs 1 and 8	Definition of Material
Amendments to HKAS 39, HKFRSs 7 and 9	Interest Rate Benchmark Reform
Amendments to HKFRS 3	Definition of a Business

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.

2. Revenue

For management purposes, the current major operating businesses of the Group are information home appliances (“IHA”), internet data centre (“IDC”), investing and leasing.

Up to 31st December 2019, revenue derived from sale of goods of the IHA business was classified in the line item of revenue in the consolidated income statement, whereas income generated in other businesses was classified in the line item of other revenue and net (loss)/income in the consolidated income statement. In order to be in line with the Group’s business development strategy, management has decided that revenue generated from (i) the IHA business; and (ii) the IDC business would be classified as revenue in the consolidated financial statements with effect from 1st January 2020.

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.

Rental income of approximately HK\$6,682,000 from the leasing of properties used as IDC was recognised as revenue for the three months ended 31st March 2020. During the three months ended 31st March 2019, rental income of approximately HK\$6,978,000 from the leasing of properties used as IDC was recognised as other revenue and net income.

Disaggregation of revenue

	For the three months ended	
	31st March	
	2020	2019
	HK\$’000	HK\$’000
IHA:		
Sales of goods	30,634	126,912
IDC:		
Lease of properties used as IDC	6,682	–
	37,316	126,912

3. **Other revenue and net (loss)/income**

	For the three months ended	
	31st March	
	2020	2019
	HK\$'000	HK\$'000
Other revenue		
Dividend income from listed securities	–	7
Rental income from investment properties	1,785	9,553
Interest income calculated using the effective interest method:		
Interest income from bank deposits	600	1,632
Interest income from loans receivable	3,882	2,381
	<u>6,267</u>	<u>13,573</u>
Other net (loss)/income		
Consultancy fee income	–	523
Foreign exchange loss, net	(190)	(163)
Net fair value (losses)/gains on financial assets at fair value through profit or loss	(72,434)	110,841
Net fair value gains on financial liabilities at fair value through profit or loss	–	984
Sundry income	388	28
	<u>(72,236)</u>	<u>112,213</u>
	<u><u>(65,969)</u></u>	<u><u>125,786</u></u>

4. **Income tax expenses**

The taxation charged to profit or loss represents:

	For the three months ended	
	31st March	
	2020	2019
	HK\$'000	HK\$'000
Current tax - overseas tax	<u>549</u>	<u>–</u>

No People's Republic of China (the "PRC") enterprise income tax has been provided for the three months ended 31st March 2020 and 2019 as the Group did not have any assessable profit from the PRC for both periods.

No Hong Kong Profits Tax has been provided for the three months ended 31st March 2020 and 2019 as the Group did not have any assessable profit from Hong Kong for both periods.

Under 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 31st March 2020 (three months ended 31st March 2019: Nil).

5. (Loss)/Earnings per share

The calculation of the basic and diluted (loss)/earnings per share attributable to owners of the Company is based on the following data:

	For the three months ended 31st March	
	2020	2019
	HK\$'000	HK\$'000
(Loss)/Profit attributable to owners of the Company	(76,071)	110,328
	For the three months ended 31st March	
	2020	2019
	'000	'000
Weighted average number of ordinary shares for basic (loss)/earnings per share	2,073,089	1,803,089
Weighted average number of ordinary shares for diluted (loss)/earnings per share	2,073,089	1,803,089
	HK\$	HK\$
(Loss)/Earnings per share:		
– Basic	(0.04)	0.06
– Diluted (<i>Note</i>)	(0.04)	0.06

Note:

Diluted loss per share is the same as the basic loss per share for the three months ended 31st March 2020 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 period.

Diluted earnings per share was the same as the basic earnings per share for the three months ended 31st March 2019 because the potential new ordinary shares to be issued on exercise of the outstanding share options under the Company's share option scheme had an anti-dilutive effect on the basic earnings per share during the period.

6. Event after the reporting period

A sale and leaseback arrangement in respect of data centre assets

On 29th April 2020, the Group entered into a sale and leaseback agreement with a lessee, pursuant to which the lessee agreed to (i) sell the certain data centre assets comprising machines, equipment, fixtures, furniture, supplies, tools and other tangible assets in the Shatin data centre in Hong Kong (the "leased assets") to the Group at a consideration of HK\$60,000,000 and (ii) leaseback the leased assets from the Group for a term of 5 years. Details of the sale and leaseback arrangement are set out in the announcements of the Company dated 29th April 2020 and 5th May 2020 respectively.

RESERVES

Movements in the reserves of the Group during the three months ended 31st March 2020 (the “Period”) are set out in the unaudited condensed consolidated statement of changes in equity of the financial statements.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend for the Period (three months ended 31st March 2019: Nil).

FINANCIAL AND BUSINESS REVIEW

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

In order to be in line with the Group’s business development strategy, management has decided that revenue generated from (i) the IHA business; and (ii) the IDC business would be classified as revenue in the consolidated financial statements with effect from 1st January 2020. Therefore, the Group derives revenue mainly from (i) sale and distribution of IHA and complementary products (including set-top boxes and raw materials); and (ii) 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.

As a result of the outbreak of the Coronavirus Disease 2019 (“COVID-19”) in early 2020, the Group’s businesses were severely affected during the Period. As far as IHA business is concerned, a significant decrease in customer purchase orders, including overseas markets, Hong Kong market and the Mainland markets, resulted in a sharp decline in the IHA revenue to approximately HK\$30.6 million for the Period, representing a decrease of 75.9% as compared with the same period of last year. Meanwhile, the gross profit of IHA business slashed by 69.3% to approximately HK\$2.7 million for the Period as compared with the same period of last year. For IDC business, the Group recorded revenue of approximately HK\$6.7 million for the Period (three months ended 31st March 2019: approximately HK\$7.0 million of rental income from IDC business which was recorded as other revenue and net income). As a result, the Group’s overall revenue dropped significantly by 70.6% to approximately HK\$37.3 million for the Period as compared with the same period of last year.

With a sharp decline in the Group’s revenue from IHA business, the Group’s distribution and selling expenses for the Period decreased by 36.6% to approximately HK\$1.4 million as compared with the same period of last year. At the same time, the Group’s general and administrative expenses also decreased by 12.6% to approximately HK\$16.4 million for the Period. Moreover, the finance costs of the Group decreased by 49.7% to approximately HK\$1.0 million for the Period. The decrease was mainly due to the decrease in bank borrowings as compared with the same period of last year.

The Group recorded other revenue and net loss of approximately HK\$66.0 million for the Period, while the Group recorded other revenue and net income of approximately HK\$125.8 million for the three months ended 31st March 2019. The decrease was mainly due to the net losses on financial assets/liabilities at fair value through profit or loss of approximately HK\$72.4 million resulted from the unsatisfactory performance of the Group's investment portfolio amid the adverse capital market conditions during the Period (three months ended 31st March 2019: net gains of approximately HK\$111.8 million), in addition to the reclassification of rental income from the IDC business into revenue during the Period. This is one of the main reasons that the Group recorded a significant loss attributable to owners of the Company for the Period.

Other operating expenses of the Group decreased to approximately HK\$350,000 for the Period (three months ended 31st March 2019: approximately HK\$1.5 million). This decrease was mainly due to the decrease in miscellaneous costs.

With respect to the IDC business, the Group focuses its efforts on providing renowned domestic and foreign enterprises with reliable data centre facilities services. During the Period, the Group's rental income generated from leasing of IDC was approximately HK\$6.7 million (three months ended 31st March 2019: approximately HK\$7.0 million). In respect of the Group's project on construction of its first IDC in the United States, the project is currently entering into the construction stage. Due to the shelter-in-place order handed down by the United States government in response to the COVID-19, the progress of the IDC construction of the Group has been adversely affected. As a result, phase one is expected to be delivered in the second half of 2020 and phase two is expected to be completed in 2021. As the IDC business is still at the investing stage, the Group will continue to deploy resources in this business.

With respect to the investment business, the Group made some investments in the secondary market and private investment funds during the Period. Based on value investing strategy, the Group only selected investment products in the secondary market by taking risk control and maintaining reasonable earning expectation as the investment goals. Maintenance and appreciation of asset value are the long-term investment commitments of the Group. Meanwhile, the Group also constantly reviews and manages its investment portfolios. During the Period, the unsatisfactory performance of the Group's investment portfolio amid the adverse capital market conditions led to net losses on financial assets/liabilities at fair value through profit or loss of approximately HK\$72.4 million (three months ended 31st March 2019: net gains of approximately HK\$111.8 million).

As a result of the foregoing, the Group recorded a loss attributable to owners of the Company of approximately HK\$76.1 million for the Period, while the Group recorded a profit attributable to owners of the Company of approximately HK\$110.3 million for the three months ended 31st March 2019.

Significant Investments/Material Acquisitions and Disposals

On 29th April 2020, the Group entered into a sale and leaseback agreement with a lessee, pursuant to which the lessee agreed to (i) sell the leased assets to the Group at a consideration of HK\$60 million and (ii) leaseback the leased assets from the Group for a term of 5 years. Details of the sale and leaseback arrangement are set out in the announcements of the Company dated 29th April 2020 and 5th May 2020 respectively. Save for the aforesaid, the Group had no significant investment and no material acquisition or disposal of subsidiaries, associates and joint ventures during the Period.

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. A number of risks and uncertainties may affect the financial results and business operations of the Group. For the IHA business, factors such as fierce market competition in the Mainland and overseas markets, rapid iteration of technological products, Renminbi exchange rate fluctuation, drop in selling price of products and increase in production cost may bring uncertainties on the development of the IHA business of the Group. For the IDC business, factors such as whether the construction and layout of the project can be completed as scheduled, and whether the service contracts signed with customers and service income can meet the expectation may affect the progress of the IDC business of the Group. For the investing business, the frequent changes of market policies and regulations relating to the Mainland stock market and the unclear global economic environment would be two key risk factors. 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 the environmental protection issues into consideration during daily operation. The Group does not produce material waste nor emit material quantities of air pollutants. The Group also strives to minimise the adverse environmental impacts by encouraging the employees to recycle office supplies and other materials and to save electricity.

Compliance with Laws and Regulations

The Company was listed on GEM of the Stock Exchange in 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.

BUSINESS PROSPECT

2020 is expected to be a year with rapidly changing and increasingly complex international environment with frequently emerging trade frictions in addition to the market upheavals and keen competition, and the Group will be confronted with more severe challenges in the future. Being one of the earliest companies researching and developing in broadband set-top boxes products in the world, the Group, based on its accumulation of technological expertise over the years and its own research and development capability, will continue to improve and upgrade its core products and performances, and actively develop new products, exploring new market sectors and capturing emerging opportunities, so as to maintain strong competitive edge. The Group vigorously expands the market of small and medium-sized overseas operators with an objective to increase its operating revenue and to boost the overall gross profit margin of its IHA business. We look forward to the continued growth and success for our IHA business.

The Group takes initiatives in developing businesses in relation to global IDC and cloud computing. The 5G era has arrived and the universal intelligent connectivity is already a reality. With its high bandwidth, massive connectivity and ultra-low latency communication, the 5G network will bring us faster and denser streams of data, and IDC will be its cornerstone. Powered by the new technologies such as artificial intelligence, cloud computing, internet of things, virtual reality etc., dataflow will be growing in an explosive way. There is strong demand for cloud computing, big data services and 5G-based IDC construction will advance rapidly. To take advantage of its business network and industry creditability in the Greater China region as well as the international market, the Group aims to provide safe and reliable data centre facilities and services for renowned domestic and overseas enterprises. The Group will ambitiously expand its IDC business in the core cities and regions, develop global cloud computing data centres for large scale corporations and global cloud computing total solutions for small and medium enterprises in the Greater China region, with the aim of assisting local customers and overseas enterprises in achieving business innovation and commercial success.

As for the IDC business, it is currently entering into the construction stage of which phase one is expected to be delivered in the second half of 2020 and phase two is expected to be completed in 2021. The Group will start a feasibility study for a second data centre in the United States thereafter. The Group, through preparation of the construction of the Group's first IDC in the United States, will expand the IDC portfolio of the Group and explore new sources of revenue, so as to increase the Group's overall profitability in the near future. On 29th April 2020, the Group entered into a sale and leaseback agreement with a lessee which is beneficial for the Group to support the growth of its IDC business and enhance the Group's income base in the long term, and is consistent with the Group's business development strategy. In future, the Group will also actively cooperate with various parties through new constructions or mergers and acquisitions in the Mainland, Hong Kong and overseas markets, in order to develop into an internationally renowned and leading cloud computing enterprise in the era of big data.

2020 will be a challenging year. The outbreak of the COVID-19 is casting an adverse impact to the world with social and economic activities mostly halted in the seriously affected countries. Economic growth is facing a huge challenge. Despite this, management and staff in the Group would spare no effort and work pragmatically towards our desired objectives so as to provide customers with exquisite IHA products and high-quality IDC services "with the spirit of craftsmanship".

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 auditors 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 external auditors, 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
Li Qiang
Chairman

Hong Kong, 8th May 2020

** For identification purposes only*

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

This announcement will remain on the “Latest Company Announcements” page of 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.