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# **YUXING INFOTECH INVESTMENT HOLDINGS LIMITED**

## **裕興科技投資控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 8005)**

### **DISCLOSEABLE TRANSACTION APPLICATION FOR SHARES IN THE IPO OF KUAISHOU TECHNOLOGY**

#### **THE APPLICATION**

On 28th January 2021, the Company placed the Order through Guotai Junan Securities for the application to subscribe for a maximum number of 1,500,000 Kuaishou Technology Shares with a total application money of approximately HK\$174.2 million (including brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

#### **THE GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Application exceed 5% but are less than 25%, the Application constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting and announcement requirements under the GEM Listing Rules.

#### **THE APPLICATION**

The Board hereby announces that on 28th January 2021, the Company placed the Order through Guotai Junan Securities for the application to subscribe for a maximum number of 1,500,000 Kuaishou Technology Shares with a total application money of approximately HK\$174.2 million (including brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

#### **Offer price**

The maximum offer price of each Kuaishou Technology Share is HK\$115.00. According to the IPO timetable as disclosed in the Prospectus, the final offer price of each Kuaishou Technology Share will be announced on 29th January 2021.

## Allotment results of the Application

The completion of the Order is subject to the successful listing of Kuaishou Technology Shares on the Stock Exchange and final allocation of the Kuaishou Technology Shares. The Company may or may not be allocated with any Kuaishou Technology Shares in the IPO. However, since part of the application money for the Order is from margin financing, there will be financing costs involved regardless of whether the Company is allocated with any Kuaishou Technology Shares. According to the IPO timetable as disclosed in the Prospectus, Kuaishou Technology will announce the allotment results on 4th February 2021 and the expected listing date of Kuaishou Technology is 5th February 2021. The Company will issue a further announcement in respect of the allotment results of the Application when the Order is materialized and completed.

## INFORMATION OF THE GROUP

The Group is a conglomerate which combines commercial enterprises with investments and is currently mainly engaged in internet data centre, information home appliances, investing and leasing.

## INFORMATION OF KUAISHOU TECHNOLOGY

According to the Prospectus, Kuaishou Technology is a leading content community and social platform, providing short video social platform, live streaming, online marketing services, e-commerce, online games, online knowledge-sharing and various other monetization channels. For further details of the business of Kuaishou Technology, please refer to the Prospectus, which has been published on the website of the Stock Exchange on 26th January 2021.

Set out below are certain audited consolidated financial information of Kuaishou Technology for the financial years ended 31st December 2017, 31st December 2018 and 31st December 2019 as disclosed in the Prospectus:

	<b>For the year ended 31st December</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Loss before tax	(19,940,501)	(12,401,064)	(19,265,467)
Loss for the year	(20,044,950)	(12,429,285)	(19,651,534)

  

	<b>As of 31st December</b>		
	<b>2017</b>	<b>2018</b>	<b>2019</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Total assets	7,693,893	16,479,499	32,414,382
Total equity	(21,950,785)	(34,734,820)	(54,836,008)

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Kuaishou Technology and its controlling shareholders are third parties independent of the Company and its Connected Persons.

## **REASONS FOR AND BENEFITS OF THE APPLICATION**

According to the Prospectus, Kuaishou Technology ranked number 1 in terms of activeness of content community among the top video-based social platforms in the PRC, monetize primarily through the sale of virtual items, provision of various forms of online marketing services, and commissions from e-commerce sales. Kuaishou is a household brand and is among the most widely used social platforms in the PRC. The revenues of Kuaishou Technology grew rapidly during the period from RMB8.3 billion in 2017 to RMB20.3 billion in 2018, and further to RMB39.1 billion in 2019, and up from RMB27.3 billion in the nine months ended 30th September 2019 to RMB40.7 billion in the nine months ended 30th September 2020.

Having considered the business prospects, financial performance and potential growth of Kuaishou Technology as disclosed in the Prospectus, the Directors consider that the investment in Kuaishou Technology Shares would enable the Group to diversify its investment portfolio and capture potential investment returns for the Group.

The Directors consider that the terms of the Order and the Application are on normal commercial terms and are fair and reasonable and the Application is in the interests of the Company and its Shareholders as a whole.

## **THE GEM LISTING RULES IMPLICATIONS**

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## **DEFINITIONS**

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Application”	the application to subscribe for a maximum number of 1,500,000 Kuaishou Technology Shares by the Company pursuant to the Order
“Guotai Junan Securities”	Guotai Junan Securities (Hong Kong) Limited, a corporation licensed by the SFC to carry out Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“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

“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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“IPO”	initial public offering of Kuaishou Technology Shares on the main board of the Stock Exchange
“Order”	the order placed by the Company through Guotai Junan Securities on 28th January 2021 for the application to subscribe for a maximum number of 1,500,000 Kuaishou Technology Shares with a total application money of approximately HK\$174.2 million (including brokerage of 1.0%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%)
“PRC”	The People’s Republic of China
“Prospectus”	the prospectus of Kuaishou Technology dated 26th January 2021
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Kuaishou Technology”	Kuaishou Technology, a company incorporated in the Cayman Islands as an exempted company with limited liability and the ordinary shares of which is expected to be listed and traded on the Main Board of the Stock Exchange (Stock Code: 1024)

“Kuaishou Technology Share(s)” the ordinary share(s) with par value of US\$0.0000053 each in the share capital of Kuaishou Technology to be traded in Hong Kong dollars and listed on the main board of the Stock Exchange

“%” per cent.

By order of the Board  
**Yuxing InfoTech Investment Holdings Limited**  
**Li Qiang**  
*Chairman*

Hong Kong, 28th January 2021

\* *For identification purposes only*

*As at the date hereof, the executive Directors are Mr. Li Qiang, Mr. Gao Fei, Mr. Shi Guangrong, Mr. Zhu Jiang, Mr. Cong Yu and Mr. Chen Biao; 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 Company Announcements” page of the GEM website at [www.hkgem.com](http://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](http://www.yuxing.com.cn).*