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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 DISPOSALS OF LISTED SECURITIES

THE DISPOSALS

The Board wishes to announce that during the period between 21 May 2021 and 2 July 2021, the Company conducted a series of transactions in the open market to dispose of an aggregate of 3,000,000 Ping An H-Shares (representing approximately 0.040% of the total issued Ping An H-Shares and approximately 0.016% of the total issued shares of Ping An) at an average price of approximately HK\$77.25 per Ping An H-Share for an aggregate consideration of approximately HK\$231,740,000 (exclusive of transaction costs).

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the First Disposal and Second Disposal on an aggregated basis, exceed 5% but less than 25%, the Second Disposal when aggregated with the First Disposal constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements under the GEM Listing Rules. None of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of (i) each Disposal on a standalone basis exceeds 5%; and (ii) all the Disposals on an aggregated basis exceeds 25%.

THE DISPOSALS

The Board wishes to announce that during the period between 21 May 2021 and 2 July 2021, the Company conducted a series of transactions in the open market to dispose of an aggregate of 3,000,000 Ping An H-Shares (representing approximately 0.040% of the total issued Ping An H-Shares and approximately 0.016% of the total issued shares of Ping An) at an average price of approximately HK\$77.25 per Ping An H-Share for an aggregate consideration of approximately HK\$231,740,000 (exclusive of transaction costs).

First Disposal

Under the First Disposal on 21 May 2021, the Company disposed of 500,000 Ping An H-Shares, representing approximately 0.007% of the total issued Ping An H-Shares and approximately 0.003% of the total issued shares of Ping An based on public information available as of the date of this announcement, for a consideration of approximately HK\$40,510,000 (exclusive of transaction cost) at the selling price of approximately HK\$81.02 per Ping An H-Share in the open market.

Second Disposal

Under the Second Disposal on 23 June 2021, the Company further disposed of 500,000 Ping An H-Shares for a consideration of approximately HK\$38,660,000 (exclusive of transaction cost) at the selling price of approximately HK\$77.32 per Ping An H-Share in the open market.

Further Disposals

During the period between 24 June 2021 and 2 July 2021, the Company conducted a further series of transactions in the open market to dispose of an aggregate of 2,000,000 Ping An H-Shares (representing approximately 0.026% of the total issued Ping An H-Shares and approximately 0.010% of the total issued shares of Ping An based on public information available as of the date of this announcement) at an average price of approximately HK\$76.29 per Ping An H-Share for an aggregate consideration of approximately HK\$152,570,000 (exclusive of transaction costs).

Assets disposed of

The Disposed Shares of 3,000,000 Ping An H-Shares represent approximately 0.040% of the total issued Ping An H-Shares and approximately 0.016% of the total issued shares of Ping An based on public information available as of the date of this announcement. During the year ended 31 December 2020, the Company received dividend of approximately HK\$6,261,000 from the Disposed Shares.

As of the date of this announcement, the Company no longer holds any Ping An H-Shares.

Consideration

The aggregate consideration for the Disposals was approximately HK\$231,740,000 (exclusive of transaction costs) and was settled by the purchasers in cash upon completion. The consideration represented the value of the Disposed Shares based on the market value of such shares at the time of the respective Disposals.

Selling price

The below table sets out the average selling price of the Ping An H-Shares under each of the Disposals.

| Date | Number of Ping An H-Shares disposed | Selling price per Ping An H-Share HK\$ | Consideration (exclusive of transaction costs) HK\$'000 |
|--------------|--|---|--|
| 21 May 2021 | 500,000 | 81.02 | 40,510 |
| 23 June 2021 | 500,000 | 77.32 | 38,660 |
| 24 June 2021 | 500,000 | 77.38 | 38,690 |
| 29 June 2021 | 250,000 | 76.89 | 19,223 |
| 29 June 2021 | 250,000 | 76.37 | 19,092 |
| 30 June 2021 | 250,000 | 76.10 | 19,025 |
| 30 June 2021 | 250,000 | 76.28 | 19,070 |
| 2 July 2021 | 250,000 | 75.18 | 18,795 |
| 2 July 2021 | 250,000 | 74.70 | 18,675 |
| Total | 3,000,000 | | 231,740 |

COMPLETION

The Disposals were completed on the same trading day of the execution date of the respective Disposals.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group's investment strategy for the investment in Ping An H-Shares was collection of dividends and long-term asset appreciation. The stock market sentiment was affected by the rising policy risks of the technology sector in China on the supervision of internet companies on anti-monopoly on the e-commerce platforms. At the same time, the China-US relations are still tense and remain uncertain to the market outlook. With the worsening COVID-19 pandemic and virus mutations, the Hong Kong market recovery is expected to remain unclear. The market value of Ping An H-shares might be unable to break through the highs of mid-January in short term with the absence of positive catalysts.

The Directors of the Company considered that the investment has achieved its investment objectives as the market value of Ping An H-Shares had been doubled at the time of the Disposals compared with its investment costs. In light of the volatility of the stock market with the uncertainty in the future global economy, together with strengthening the cash position of the Group, the Company considered that the Disposals represent an opportunity to realise its investments and to allow the Group to allocate the financial resources in other business operations and investments.

Having considered that (i) the Disposals is made at prevailing market price and (ii) the uncertainty of the future market, the Directors (including the independent non-executive Directors) are of the view that the Disposal is fair and reasonable and in the interests of the Company and its shareholders as a whole.

The Group received net proceeds of approximately HK\$231,143,000 from the Disposals. The Group currently intends to use the net proceeds for capital expenditures, general corporate and working capital purposes.

FINANCIAL IMPACT OF THE DISPOSALS

As at 31 December 2020, the carrying amount of the Disposed Shares was approximately HK\$285,000,000. As a result of the Disposals, the Group is expected to recognise a loss of approximately HK\$53,260,000 (before taxation and without deduction of expenses related to the Disposals), which is calculated based on the difference between the carrying amount of the Disposed Shares as at 31 December 2020 and the sales proceeds (exclusive of transaction costs). The actual amount of gain or loss as a result of the Disposals to be recorded by the Group will be subject to the review and annual audit by the auditor of the Company.

INFORMATION ON THE PURCHASERS

As each of the Disposals was conducted in the open market, the Company is not aware of the identities of the purchasers of the Disposed Shares.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiry, each of the purchasers of the Disposed Shares and their respective ultimate beneficial owners (if applicable) are third parties independent of the Company and its connected persons (as defined under the GEM Listing Rules).

INFORMATION ON THE GROUP

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

INFORMATION ON PING AN

Based on public information available as of the date of this announcement, Ping An is a joint stock limited company duly incorporated in the PRC with limited liability, the A Shares of which are listed on the Shanghai Stock Exchange (Stock Code: 601318) and the H Shares of which are listed on the Stock Exchange (Stock Code: 2318). The businesses of Ping An and its subsidiaries covers insurance, banking, investment, finance technology, medical technology and other sectors.

Based on the audited consolidated financial statements of Ping An extracted from the annual report of Ping An for the year ended 31 December 2020, the audited total assets and net assets of Ping An were approximately RMB9,527,870 million and RMB987,905 million respectively.

Based on the unaudited consolidated financial statements of Ping An extracted from the quarterly results announcement of Ping An for the three months ended 31 March 2021, the unaudited total assets and net assets of Ping An were approximately RMB9,751,371 million and RMB1,004,741 million respectively.

The audited net profit (before and after taxation) of Ping An for the two financial years ended 31 December 2019 and 31 December 2020 respectively were as follows:

| | For the years ended 31 December | |
|----------------------------|--|--------------------|
| | 2019 | 2020 |
| | <i>RMB million</i> | <i>RMB million</i> |
| Revenue | 1,273,091 | 1,321,418 |
| Net profit before taxation | 184,739 | 187,764 |
| Net profit after taxation | 164,365 | 159,359 |

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the First Disposal and Second Disposal on an aggregated basis, exceed 5% but less than 25%, the Second Disposal when aggregated with the First Disposal constituted a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and are therefore subject to the reporting and announcement requirements under the GEM Listing Rules. None of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of (i) each Disposal on a standalone basis exceeds 5%; and (ii) all the Disposals on an aggregated basis exceeds 25%.

DEFINITIONS

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

| | |
|-------------------|--|
| “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) |
| “Director(s)” | director(s) of the Company |
| “Disposal(s)” | collectively, the First Disposal, the Second Disposal and the Further Disposals, and each a “Disposal” |
| “Disposed Shares” | the aggregate Ping An H-Shares disposed of under the Disposals |
| “First Disposal” | disposal of 500,000 Ping An H-Shares on 21 May 2021 in the open market for a consideration of approximately HK\$40,510,000 (exclusive of transaction cost) |

| | |
|---------------------|---|
| “Further Disposals” | disposals of an aggregate of 2,000,000 Ping An H-Shares (and not more than 500,000 Ping An H-Shares each) from 24 June 2021 to 2 July 2021 in the open market for an aggregate consideration of approximately HK\$152,570,000 (exclusive of transaction cost) |
| “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 dollar(s), the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “H-Share(s)” | the H-share(s) of Ping An which are listed on the Stock Exchange |
| “Ping An” | Ping An Insurance (Group) Company of China, Ltd., a joint stock limited company duly incorporated in the PRC with limited liability, the A Shares of which are listed on the Shanghai Stock Exchange and the H Shares of which are listed on the Stock Exchange |
| “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 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Second Disposal” | the disposal of 500,000 Ping An H-Shares on 23 June 2021 in the open market for a consideration of approximately HK\$38,660,000 (exclusive of transaction cost) |
| “Shareholder(s)” | shareholder(s) of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “%” | per cent. |

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

Hong Kong, 12 July 2021

* *For identification purposes only*

As at the date hereof, the executive Directors of the Company 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 of the Company 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 for at least seven days from the date of its publication and on the Company’s website at www.yuxing.com.cn.