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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 SUBSCRIPTION OF INTEREST IN AN EXEMPTED LIMITED PARTNERSHIP**

#### **THE INVESTMENT**

On 24 August 2017, the Subscriber, a wholly-owned subsidiary of the Company, has committed to make the Investment of HK\$199.5 million in the Fund, namely Avalon Global Fixed Income Fund LP, by way of a subscription for a limited partnership interest in the Fund. The Investment would be made by the Subscriber in accordance with the Investment Agreements comprising principally the Subscription Agreement and the Limited Partnership Agreement. Maxwealth (which is the general partner of the Fund) and the Subscriber are parties to the Investment Agreements.

The Fund has been established in the Cayman Islands as an exempted limited partnership, with the principal purpose of primarily subscribing for convertible bonds of the Portfolio Company and Temporary Investments. The Fund may also achieve capital appreciation through equity and equity-related investments in certain industries. The Fund will be managed by Maxwealth, the general partner of the Fund.

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

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

## **SUBSCRIPTION AGREEMENT**

The principal terms of the Subscription Agreement are as follows:

### **Date**

24 August 2017

### **Parties**

- (i) the General Partner, on behalf of itself and the Fund; and
- (ii) the Subscriber

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, Maxwealth and its ultimate beneficial owners are Independent Third Parties independent of and not connected with the Company and its connected person.

### **The Subscription and Capital Commitment**

Pursuant to the Subscription Agreement, the Subscriber has committed to make the Investment of HK\$199.5 million in the Fund by way of a subscription for a limited partnership interest in the Fund.

The Capital Commitment was determined after arm's length negotiations between the General Partner and the Subscriber with reference to (i) the investment objective of the Fund; (ii) the expected duration of the Fund; (iii) the possible investment return of the Fund; (iv) the financial position and resources available; and (v) the investment opportunities expected to be available. The Capital Commitment will be funded by the Group's internal resources.

By entering into the Subscription Agreement, the Subscriber agreed to execute the Limited Partnership Agreement and any supplements thereto and applied to become a Limited Partner in the Fund pursuant to the terms of the Limited Partnership Agreement.

## **LIMITED PARTNERSHIP AGREEMENT**

The principal terms of the Limited Partnership Agreement are as follows:

### **Parties**

#### ***General Partner***

The General Partner is an exempted company incorporated in the Cayman Islands with limited liability and is the general partner of the Fund pursuant to the Limited Partnership Agreement. It is exclusively responsible for the management and administration of the Fund, subject to the terms and conditions set forth in the Limited Partnership Agreement of the Fund.

### ***Initial Limited Partner***

The Initial Limited Partner is an individual. Pursuant to the Limited Partnership Agreement, upon the admission of each of the Limited Partners to the Fund, the Initial Limited Partner shall be deemed to have withdrawn as the initial limited partner of the Fund and have no further right, interest or obligation of any kind whatsoever as a Limited Partner in the Fund.

### ***Limited Partners***

Each first-tier Limited Partner is obliged to make contributions to the Fund pursuant to their respective committed capital contribution (in the case of the Subscriber, the Capital Commitment), and the liability of such Limited Partner is limited to the amount of its Capital Commitment. The Limited Partners shall not have the right or power to take part in the conduct of the business, management or control of the investment of the Fund or other activities.

### **Name of the Fund**

Avalon Global Fixed Income Fund LP

### **The Fund**

The Fund is a Cayman Islands exempted limited partnership registered under the Exempted Limited Partnership Law (as amended) of the Cayman Islands. The Fund will be managed by Maxwealth, the general partner of the Fund.

Based on information provided by Maxwealth, the Fund has not yet commenced operations before the Subscriber entered into the Investment Agreements.

### **Target Fund Size**

The Fund shall seek to obtain an aggregate commitment from all the Limited Partners and the General Partner by the Closing Date in the amount of approximately HK\$250,000,000 provided that aggregate commitments of a greater or a lesser amount may be accepted by the General Partner in its sole discretion.

### **Principal Purpose and Investment Policy**

The principal purpose of the Fund is primarily subscribing for convertible bonds of the Portfolio Company and Temporary Investments. The Fund may also achieve capital appreciation through equity and equity-related investments in certain industries.

### **Term of the Fund**

The Fund will have a term of twenty-four (24) months from the Closing Date, which may be extended for up to twelve (12) months at the sole discretion of the General Partner.

## **Transferability of the Interest**

Subject to the requirements and conditions in the Limited Partnership Agreement, any Limited Partner may transfer all or any portion of its interest in the Fund at any time to (i) any other Limited Partner upon sixty (60) days' notice to the General Partner, or (ii) any third party with prior written consent of the General Partner.

## **Management Fee**

Upon the Closing Date, the General Partner will be entitled to receive an annual management fee in advance, equal to 1.5% of the Capital Commitment.

Upon the last day of the Term, the General Partner will be entitled to receive a management fee for the period from the first anniversary of the Closing Date to the last day of the Term, equal to 1.5% of the Capital Commitment for every twelve month period.

## **Distribution**

Any investment proceeds shall be apportioned among and distributed to the General Partner and Limited Partners within three (3) months following the expiration of the Term or the date of the Event of Dissolution (as defined in the Limited Partnership Agreement) in accordance with the provisions of the Limited Partnership Agreement.

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

The Board believes that the Investment represents a good investment opportunity taking into account the existing market conditions and business outlook as the Company anticipates a reasonable return in the medium term from the Investment as a result of the performance of the Fund.

The Board (including the independent non-executive Directors) considers that the terms of the Investment are fair and reasonable, are on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

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

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Capital Commitment”	the Investment, or with respect to any first-tier Limited Partner, the amount set forth in the subscription agreement of such Limited Partner as accepted by the General Partner on behalf of the Fund
“Closing Date”	the date upon which investors are first admitted as Limited Partners, by Maxwealth accepting the applications for subscription executed by such Limited Partners
“Company”	Yuxing InfoTech Investment Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on GEM (Stock Code: 8005)
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Fund”	Avalon Global Fixed Income Fund LP, an exempted limited partnership incorporated in the Cayman Islands
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Partner”	Maxwealth
“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

“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the GEM Listing Rules)
“Initial Limited Partner”	an individual and an Independent Third Party
“Investment”	the subscription for a limited partnership interest in the Fund by the Subscriber with a capital commitment of HK\$199.5 million pursuant to the Investment Agreements
“Investment Agreements”	collectively, the Subscription Agreement and the Limited Partnership Agreement
“Limited Partner(s)”	the limited partner(s) of the Fund as at the date of this announcement
“Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement dated 24 August 2017 entered into between Maxwealth and the Limited Partner(s) to govern their relationship and provide for (among others) the manner of operation and management of the Fund
“Maxwealth”	Maxwealth Investment Management Limited, an exempted limited partnership incorporated in the Cayman Islands, the general partner of the Fund
“Portfolio Company”	a company whose shares are listed on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Harmony Wealthy Investments Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company and the subscriber under the Subscription Agreement

“Subscription”	the subscription of limited partnership interest in the Fund by the Subscriber under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 24 August 2017 signed by the Subscriber and accepted by the Fund (acting through Maxwealth) with respect to the subscription of the limited partnership interest in the Fund
“Temporary Investments”	means commercial paper rated not lower than A-1 by Standard & Poor’s Corporation or P-1 by Moody’s Investors Service, Inc. with maturities of not more than twelve (12) months and one (1) day
“Term”	twenty-four (24) months as from the Closing Date, which may be extended for up to twelve (12) months at the sole discretion of the General Partner
“%”	per cent

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

Hong Kong, 24 August 2017

\* *For identification purpose only*

*As at the date of this announcement, the executive Directors are Mr. Li Qiang, Mr. Shi Guangrong, Mr. Zhu Jiang and Mr. Gao Fei; the independent non-executive Directors are Ms. Shen Yan, Mr. Zhong Pengrong and Mr. Wu Jiajun.*

*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 7 days from the date of its publication and on the Company’s website at [www.yuxing.com.cn](http://www.yuxing.com.cn).*