

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*

*This announcement appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.*



## **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)**

### **SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE**

#### **SUBSCRIPTION OF NEW SHARES**

On 14th July 2019, the Company entered into two Subscription Agreements with the Subscribers pursuant to which the Company has conditionally agreed to allot and issue and the Subscribers have conditionally agreed to subscribe for the Subscription Shares comprising an aggregate of 270,000,000 new Shares at the Subscription Price of HK\$0.30 per Subscription Share.

The Subscription Shares represent (i) approximately 14.97% of the existing issued share capital of the Company (without taking into account the Subscription Shares) as at the date of the Subscription Agreements; and (ii) approximately 13.02% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The gross proceeds of the Subscription will amount to HK\$81 million and the net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$80.8 million after deducting the relevant expenses incurred in relation to the Subscription. It is presently intended that the net proceeds will be applied in connection with the Group's IDC project in San Jose, California, the United States.

#### **GENERAL**

The Subscription Shares are to be allotted and issued under the General Mandate and therefore the issue of the Subscription Shares will not be subject to the approval of the Shareholders.

**Completion of the Subscription is subject to the fulfillment of the Conditions. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTION AGREEMENTS**

### **The First Subscription Agreement**

*Date:*

14th July 2019

*Parties:*

- (i) the Company; and
- (ii) Thousand Best Group Limited as the First Subscriber.

Pursuant to the terms of the First Subscription Agreement, the First Subscriber will subscribe for 200,000,000 Subscription Shares at the Subscription Price.

### **The Second Subscription Agreement**

*Date:*

14th July 2019

*Parties:*

- (i) the Company; and
- (ii) Lian Jiahua as the Second Subscriber.

Pursuant to the terms of the Second Subscription Agreement, the Second Subscriber will subscribe for 70,000,000 Subscription Shares at the Subscription Price.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscribers are all Independent Third Parties.

**Date:** 14th July 2019

### **The Subscribers**

The Subscription Shares will be allotted and issued to two Subscribers, being professional, institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, none of the Subscribers will become substantial Shareholder (as defined in the Listing Rules) immediately after completion of the Subscription.

## **The Subscription Shares**

The Subscription Shares represent (i) approximately 14.97% of the existing issued share capital of the Company (without taking into account the Subscription Shares) as at the date of the Subscription Agreements; and (ii) approximately 13.02% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

The Subscription Shares will rank, upon issue, pari passu in all respects among themselves and with the Shares in issue as at the date of allotment and issue of the Subscription Shares.

## **The Subscription Price**

The Subscription Price is HK\$0.30 per Subscription Share, representing:

- (i) a discount of approximately 14.28% to the closing price of HK\$0.35 per Share as quoted on the Stock Exchange on 12th July 2019, the last full trading day in the Shares prior to this announcement; and
- (ii) a discount of approximately 18.69% to the average closing price of approximately HK\$0.369 per Share as quoted on the Stock Exchange for the last five trading days up to and including 12th July 2019.

The Subscription Price was determined and negotiated on an arm's length basis between the Company and the Subscribers with reference to, among other things, the prevailing market price of the Shares and the liquidity of the Shares. The Directors consider that the Subscription Price is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Based on the estimated expenses for the Subscription, the net Subscription Price is approximately HK\$0.299 per Subscription Share.

The aggregate nominal value of the Subscription Shares is HK\$6,750,000.

## **General Mandate to issue the Subscription Shares**

The Directors were authorized to allot and issue up to 360,617,760 Shares under the General Mandate. The Subscription Shares will be allotted and issued under the General Mandate. As at the date of this announcement, no Shares have been allotted and issued under the General Mandate. As such, the maximum number of new Shares that could be allotted and issued under the General Mandate is 360,617,760 Shares. The Subscription Shares (comprising 270,000,000 new Shares) to be allotted and issued will partial utilise the General Mandate.

## **Condition of the Subscription**

The Subscription is conditional upon the granting by the Listing Committee of the listing of, and permission to deal in, all of the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive certificate(s) of title representing the Subscription Shares).

In the event that the Conditions are not fulfilled by 4th August 2019 (or such later date as may be agreed by the Subscribers and the Company), all rights, obligations and liabilities of the parties to the Subscription Agreements in relation to the Subscription shall cease and determine and none of the parties thereto shall have any claim against any other party in respect of the Subscription save for any antecedent breaches.

## **Completion of the Subscription**

Completion of the Subscription will take place on the seventh Business Day (or any other day as may be agreed by the Company and the Subscribers) after the fulfillment of the Conditions.

## **Application for listing**

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

## **REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS**

The Group is principally engaged in the information home appliances, IDC and investment and rental.

The IDC business in 2018, the Group passed an assessment by the Building Division of San Jose of the United States as well as the hearing hosted by the Building Division on 5th December 2018, the Building Division has decided to issue a building permit to the subsidiary of the Company in the United States. Completed the tender for the first phase contractor in April 2019, it is currently entering the construction stage of which phase one is expected to be delivered in March 2020 and phase two is expected to be completed by end of 2020. The Group will start a feasibility study for a second data center in the United States hereafter. 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.

The gross proceeds of the Subscription will amount to HK\$81 million and the net proceeds receivable by the Company under the Subscription are estimated to be approximately HK\$80.8 million after deducting the relevant expenses incurred in relation to the Subscription.

The Company intends to use the net proceeds of approximately HK\$80.8 million from the issue of the Subscription Shares in connection with the Group's IDC project in San Jose, California, the United States as described above.

The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreements are normal commercial terms, which were arrived at after arm's length negotiations between the Company and the Subscribers, and that the issue of the Subscription Shares pursuant to the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **EQUITY FUND RAISING ACTIVITY IN PAST TWELVE MONTHS BEFORE THE DATE OF THIS ANNOUNCEMENT**

The Company has not carried out any other equity fund raising activities in the past twelve-month period immediately preceding the date of this announcement.

## **CHANGES OF SHAREHOLDING STRUCTURE**

As at the date of this announcement, the Company has 1,803,088,800 Shares in issue. The shareholding structure of the Company as at the date of this announcement and immediately after the allotment and issue of the Subscription Shares is as follows:

Shareholders	As at the date of this announcement		Immediately after the allotment and issue of the Subscription Shares	
	Number of Shares	Approximate percentage (%)	Number of Shares	Approximate percentage (%)
Cloudrider Limited ("Cloudrider") (Note 1)	450,357,200	24.98	450,357,200	21.72
Lontrue Co., Ltd* (朗源股份有限公司) ("Lontrue") (Note 2)	450,357,200	24.98	450,357,200	21.72
Honbridge Holdings Limited (Stock code: 8137) ("Honbridge") (Note 2)	450,357,200	24.98	450,357,200	21.72
Hong Bridge Capital Limited ("Hong Bridge") (Note 2)	450,357,200	24.98	450,357,200	21.72
Mr. He Xuechu (Note 2)	450,357,200	24.98	450,357,200	21.72
Ms. Foo Yatyan (Note 2)	450,357,200	24.98	450,357,200	21.72
Super Dragon Co., Ltd. ("Super Dragon") (Note 3)	121,533,800	6.74	121,533,800	5.86
Other Public shareholders	1,231,197,800	68.28	1,231,197,800	59.39
First Subscriber	–	–	200,000,000	9.65
Second Subscriber	–	–	70,000,000	3.38
<b>Total</b>	<b><u>1,803,088,800</u></b>	<b><u>100</u></b>	<b><u>2,073,088,800</u></b>	<b><u>100</u></b>

*Notes:*

1. According to the disclosure forms filed by Cloudrider and Lontrue on 19th May 2016, Lontrue holds 35.65% of the equity interest of Cloudrider and is deemed to be interested in 450,357,200 shares of the Company. Mr. Li Qiang, the executive Director and chairman of the Board of the Company, is the sole shareholder and director of Capital Melody Limited, holding 32.09% of the equity interest of Cloudrider as at 31st March 2019.
2. According to the disclosure forms filed by Honbridge, Hong Bridge, Mr. He Xuechu and Ms. Foo Yatyan on 23rd September 2016, Hong Bridge holds more than one-third of the issued share capital of Honbridge and Mr. He Xuechu holds more than one-third of the issued share capital of Hong Bridge which in turn holds more than one-third of the issued share capital of Honbridge. As such, Mr. He Xuechu and Hong Bridge are deemed to be interested in 450,357,200 shares of the Company in which Honbridge has an interest. Ms. Foo Yatyan is deemed to be interested in 450,357,200 shares of the Company because the interests are related to the interests of spouse.
3. Mr. Zhu Weisha, a former Director, holds these shares through Super Dragon, a company in which Mr. Zhu holds the entire issued share capital and of which he is the sole director.

## DEFINITIONS

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

<b>“associate(s)”</b>	has the meaning ascribed to this term under the Listing Rules
<b>“Board”</b>	the board of Directors
<b>“Business Day”</b>	any day (excluding Saturdays) on which banks generally are open for business in Hong Kong
<b>“Company”</b>	Yuxing Infotech Investment Holdings Limited, a company incorporated in the Bermuda with limited liability, the issued Shares of which are listed on GEM of the Stock Exchange (stock code: 8005)
<b>“Completion”</b>	completion of the allotment and issue of the Subscription Shares pursuant to the terms of the Subscription Agreements
<b>“Completion Date”</b>	the date of completion of the Subscription which will take place on the seventh Business Day (or any other day as may be agreed by the Company and the Subscribers) after the fulfillment of the conditions of the Subscription
<b>“Conditions”</b>	condition precedents to the Completion pursuant to the terms of the Subscription Agreements
<b>“connected person(s)”</b>	has the meanings as ascribed thereto under the Listing Rules
<b>“Director(s)”</b>	the director(s) of the Company
<b>“General Mandate”</b>	the general mandate granted to the Directors pursuant to an ordinary resolution passed by the Shareholders at the annual general meeting of the Company convened and held on 17th May 2019 to allot and issue up to 360,617,760 new Shares, representing 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China
<b>“IDC”</b>	internet data centre

<b>“Independent Third Party(ies)”</b>	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of, not acting in concert (as defined in the Takeovers Code) with and not connected with the Company and its directors, chief executive, and substantial shareholders of the Company or any of its subsidiaries or their respective associates
<b>“Listing Committee”</b>	the listing sub-committee of the Board of directors of the Stock Exchange
<b>“GEM Listing Rules”</b>	the Rules Governing the Listing of Securities on the GEM Stock Exchange
<b>“Share(s)”</b>	ordinary share(s) of nominal value of HK\$0.025 each in the capital of the Company
<b>“Shareholders”</b>	holders of the issued Shares
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“Subscribers”</b>	the First Subscriber and the Second Subscriber
<b>“First Subscriber”</b>	Thousand Best Group Limited, a company incorporated in the British Virgin Islands with limited liability
<b>“First Subscription Agreement”</b>	the subscription agreement dated 14th July 2019 entered into between the Company and the First Subscriber in relation to the Share Subscription
<b>“Second Subscriber”</b>	Lian Jiahua
<b>“Second Subscription Agreement”</b>	the subscription agreement dated 14th July 2019 entered into between the Company and the Second Subscriber in relation to the Share Subscription
<b>“Subscription”</b>	the subscription of 270,000,000 new Shares to be allotted and issued to the Subscribers pursuant to the terms of the Subscription Agreements
<b>“Subscription Agreements”</b>	the conditional subscription agreements dated 14th July 2019 and entered into between the Company and the Subscribers in relation to the Subscription
<b>“Subscription Price”</b>	the subscription price of HK\$0.30 per Subscription Share
<b>“Subscription Shares”</b>	an aggregate of 270,000,000 new Shares to be allotted and issued under the Subscription

**“substantial shareholder”** has the meaning as ascribed thereto under the Listing Rules

**“%”** per cent.

By Order of the Board  
**Yuxing Infotech Investment Holdings Limited**  
**Li Qiang**  
Chairman

Hong Kong, 14th July 2019

\* *For identification purpose only*

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

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 GEM website at [www.hkgem.com](http://www.hkgem.com) for at least seven days from the day of its publication and on the Company’s website at [www.yuxing.com.cn](http://www.yuxing.com.cn).*