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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular, you should consult your stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your securities in **Yuxing InfoTech Investment Holdings Limited** (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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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)****MAJOR TRANSACTION IN RELATION TO  
THE ENTRY OF THE CONSTRUCTION AGREEMENT**

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Unless the context otherwise requires, all capitalised terms used in this circular shall have the same meanings as those defined in the section headed “Definitions” of this circular.

A letter from the Board is set out on pages 3 to 9 of this circular.

The notice convening the SGM to be held at Unit 5-6, 9/F, Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on 13 July 2021 at 11:00 a.m. is set out on pages SGM-1 to SGM-2 to this circular. Whether or not you are able to attend the SGM in person, please complete the accompanying proxy form and return the same at the office of the Company’s Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the SGM or any adjourned meeting. Completion and delivery of the proxy form will not preclude you from attending and voting at the SGM or any adjourned meeting if you so wish.

**PRECAUTIONARY MEASURES FOR THE SGM**

To safeguard the health and safety of the Shareholders and to prevent the spreading of the COVID-19 pandemic, the following precautionary measures will be implemented at the SGM:

- (1) Compulsory temperature checks
- (2) Wearing of surgical face mask
- (3) No distribution of refreshment

Any person who does not comply with the precautionary measures or is subject to any Hong Kong Government prescribed quarantine may be denied entry into the meeting venue. For the health and safety of the Shareholders, the Company would like to encourage Shareholders to exercise their right to vote at the SGM by appointing the Chairman of the SGM as their proxy and to return their form of proxy by the time specified above, instead of attending the SGM in person.

The circular 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 website of the Company at [www.yuxing.com.cn](http://www.yuxing.com.cn).

\* For identification purpose only

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## CHARACTERISTICS OF GEM

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GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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## DEFINITIONS

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*In this circular, the following words and expressions shall have the following meanings unless the context indicates otherwise:*

|                          |  |
|--------------------------|--|
| “Associate(s)”           | has the meaning ascribed to it under the GEM Listing Rules   |
| “Board”                  | the board of Directors of the Company  |
| “Bye-law(s)”             | bye-law(s) of the Company, as amended from time to time  |
| “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) |
| “Concept CSI”            | Concept Construction Services, Inc., a company incorporated in the U.S.A. with limited liability   |
| “Consideration”          | the total consideration for the construction of Phase I of the IDC payable by RiCloud to Concept CSI pursuant to the Construction Agreement                              |
| “Construction Agreement” | the agreement dated 4 April 2019 entered into between RiCloud and Concept CSI in relation to the construction of Phase I of the IDC                                      |
| “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 the GEM   |
| “Group”                  | the Company and its subsidiaries   |
| “HK\$”                   | Hong Kong dollars, the law currency of Hong Kong   |
| “Hong Kong”              | the Hong Kong Special Administrative Region of the PRC   |
| “IDC”                    | internet data centre   |

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## DEFINITIONS

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|------------------------------|---|
| “Independent Third Party”    | person(s) who, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules)   |
| “Latest Practicable Date”    | 22 June 2021, being the latest practicable date prior to the printing of this circular for purpose of ascertaining certain information included in this circular  |
| “PRC” or “China”             | the People’s Republic of China, which, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan  |
| “RiCloud”                    | RiCloud Corp., a company incorporated in the U.S.A. with limited liability and an indirect wholly-owned subsidiary of the Company   |
| “SFO”                        | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “SGM”                        | the special general meeting of the Company to be convened at Unit 5-6, 9/F, Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on 13 July 2021 to consider and, if thought fit, approve and ratify the Construction Agreement and the transactions contemplated thereunder |
| “Share(s)”                   | ordinary share(s) of the Company  |
| “Shareholder(s)”             | shareholder(s) of the Company   |
| “Stock Exchange”             | The Stock Exchange of Hong Kong Limited   |
| “Substantial shareholder(s)” | has the meaning ascribed to it under the GEM Listing Rules  |
| “US\$”                       | United States dollars, the lawful currency of the U.S.A.  |
| “U.S.A.”                     | United States of America  |
| “%”                          | per cent.   |

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Li Qiang (*Chairman*)  
Mr. Cong Yu (*Chief Executive Officer*)  
Mr. Gao Fei  
Mr. Shi Guangrong  
Mr. Zhu Jiang  
Mr. Chen Biao

*Independent non-executive Directors:*

Ms. Shen Yan  
Ms. Dong Hairong  
Ms. Huo Qiwei

*Registered office:*

Clarendon House  
2 Church Street  
Hamilton HM 11  
Bermuda

*Principal place of business  
in Hong Kong:*

Unit 5-6, 9/F  
Enterprise Square Three  
No. 39 Wang Chiu Road  
Kowloon Bay  
Kowloon

25 June 2021

*To the Shareholders*

Dear Sir or Madam,

### MAJOR TRANSACTION IN RELATION TO THE ENTRY OF THE CONSTRUCTION AGREEMENT

#### INTRODUCTION

Reference is made to the announcement of the Company dated 1 June 2021 in relation to the entry of the Construction Agreement.

The purpose of this circular is to provide Shareholders with (i) further details of the Construction Agreement; (ii) other information as required under the GEM Listing Rules; and (iii) a notice convening the SGM.

\* *For identification purpose only*

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## LETTER FROM THE BOARD

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### CONSTRUCTION AGREEMENT

The Board announces that on 4 April 2019, RiCloud, an indirect wholly-owned subsidiary of the Company, entered into the Construction Agreement with Concept CSI in relation to the construction of Phase I of the IDC in the U.S.A. at an aggregate Consideration of US\$62,494,800 (equivalent to approximately HK\$487,460,000).

Below sets out the principal terms of the Construction Agreement:

- Date : 4 April 2019
- Parties : (1) RiCloud as the owner; and  
(2) Concept CSI as the main contractor
- Subject matter : Concept CSI shall be responsible for the construction of Phase I of the IDC, including but not limited to the provision of electrical work, steel and metal work and heating, ventilation and air-conditioning installation.
- Subcontractors : Concept CSI shall engage subcontractors and sub-subcontractors for the purpose of execution of the construction work.
- Consideration : The Consideration of the construction work shall be an aggregate sum of US\$62,494,800 (equivalent to approximately HK\$487,460,000).

US\$20,000,000 shall be paid within 14 days from the date of the Construction Agreement and RiCloud shall make such deposit to an escrow account to maintain a constant balance of no less than US\$20,000,000 until such time as both RiCloud and Concept CSI acknowledge that the amount due under the Construction Agreement is less than US\$20,000,000. RiCloud shall make the deposits to the escrow account within 14 days of each withdrawal from the escrow account so as to maintain a constant account balance of no less than US\$20,000,000 until the amount due under the Construction Agreement is less than US\$20,000,000.

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## LETTER FROM THE BOARD

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Use of escrow fund : The escrow fund shall be used solely for payment of the monies due to Concept CSI pursuant to the terms of the Construction Agreement and for no other purpose.

The escrow funds shall remain in the escrow account until the balance due to Concept CSI has been paid in full. No monies shall be withdrawn from the escrow account without the prior written consent of both RiCloud and Concept CSI.

Construction commencement date : Pre-construction works commenced on 11 February 2019.

Payment terms : RiCloud shall make progress payments on account of the Consideration to Concept CSI. Application for payment shall be made by Concept CSI to an architect who is retained by RiCloud (the “**Architect**”) and RiCloud’s representative during the construction duration, no later than 25th day of the month, for work completed through that date less any previous applications for payment.

RiCloud shall make payment of the amount certified to Concept CSI no later than the end of the following calendar month. The applications for payment shall show the percentage of completion of each portion of the work as of the end of the period covered by the application for payment.

Final payment of the Consideration, constituting the entire unpaid balance under the Construction Agreement, shall be made by RiCloud to Concept CSI when (i) Concept CSI had fully performed the Construction Agreement except for its responsibility to correct any defective work; and (ii) a final certificate for payment has been issued by the Architect and RiCloud’s representative. The final payment shall be made no later than 30 days after the issuance of the certificate for payment.



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## **LETTER FROM THE BOARD**

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### **BASIS OF CONSIDERATION**

The Consideration was arrived at from a tender process whereby invitation to bid for the construction of the IDC was solicited by RiCloud and the tender submitted by Concept CSI was considered the most appropriate after taking into account the tender price and payment terms. Accordingly, the Directors consider that the Consideration is fair and reasonable.

The Consideration shall be satisfied by the internal resources of the Group and if necessary obtaining external financing by way of debt, equity or otherwise.

### **THE TENDER PROCESS**

In July 2018, an invitation to tender for the construction of the IDC was published (the “**Invitation**”). The Invitation had set out, among others, the requirements and specifications of the construction of the IDC, the deadline for submission of the bid and the documents required to be submitted with the bid. The tender was closed in October 2018.

RiCloud had received quotations from three main contractors, including Concept CSI (the “**Quotations**”). Out of the three Quotations, Concept CSI had submitted a bid with the lowest price.

Prior to making a decision on the tender, RiCloud had met with each of the three main contractors. The purpose of the meeting was to allow the main contractors to present their proposal to the management of RiCloud and to explain their quotations and design. In assessing the Quotations, RiCloud had taken into consideration, among others, the manpower and resources, the qualifications, the experience and track record of the main contractor.

### **INFORMATION ON RICLOUD AND THE GROUP**

RiCloud is a company incorporated in the U.S.A. with limited liability and is an indirect wholly-owned subsidiary of the Company. RiCloud is principally engaged in the operation of IDC.

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

### **INFORMATION ON CONCEPT CSI**

Concept CSI is a company incorporated in the U.S.A. with limited liability and is an exclusive, full-service technical builder, specializing in complex design driven projects.

The ultimate beneficial owners of Concept CSI are Sean Mulleady and Thomas Moroney, each of them holds 50% shares of Concept CSI. To the best knowledge information and belief of the Directors having made all reasonable enquiries, Concept CSI and its ultimate beneficial owners are Independent Third Parties.

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## LETTER FROM THE BOARD

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### REASONS FOR AND BENEFITS OF THE ENTRY OF THE CONSTRUCTION AGREEMENT

As disclosed in the annual report of the Company for the year ended 31 December 2018, the Group considered that IDC is an important carrier of information technology infrastructure and cloud computing in the era of big data. The Group has planned to continue to internationalize its IDC business through new constructions or mergers and acquisitions in core cities and regions to provide targeted, customizable and high value-added services, establish an international cloud computing data centre for large enterprises and provide small and medium-sized enterprises in Greater China with integrated international cloud computing solutions.

Due to the shelter-in-place order handed down by the government of the U.S.A. in response to the Coronavirus Disease 2019 pandemic, the progress of the construction of Phase I of the IDC has been adversely affected. Phase I of the project will be ready for operation in the first half of 2021. Due to the delay in the progress of the construction of the IDC, the consideration paid to Concept CSI in relation to the construction of Phase I of the IDC is expected to be adjusted and the Company expects that the total adjusted consideration will not be more than US\$71,000,000 (equivalent to approximately HK\$553,800,000). Upon completion of the construction of Phase I of the IDC, it is expected that revenue base and the IDC portfolio of the Group will be expanded.

### GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the entry of the Construction Agreement exceeds 25% but is less than 100%, the transaction contemplated under the Construction Agreement constitutes a major transaction of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders or any of their respective associates has a material interest in the transaction contemplated under the Construction Agreement, thus no Shareholders are required to abstain from voting for the resolution if the Company were to convene an extraordinary general meeting to approve the transaction contemplated under the Construction Agreement.

The Company did not make disclosure of the entry of the Construction Agreement and sought for Shareholders' approval at the time because the Company did not consider that the entry of the Construction Agreement constitutes a notifiable transaction under the GEM Listing Rules and was therefore unaware that the requirements under Chapter 19 of the GEM Listing Rules are applicable.

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## LETTER FROM THE BOARD

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### IMPLEMENTATION PLANS

While the delay in disclosure was inadvertent and unintentional, the Company had immediately strengthened its internal control and implemented certain plans to avoid recurrence of similar incidents. In particular, the Company will:

- (i) engage an independent consultant to conduct a review of the Company's internal control and compliance system regarding disclosure of information;
- (ii) engage professional advisors to provide the Directors and senior management with regular training on the requirements under the GEM Listing Rules, with emphasis on the compliance with Chapter 19 of the GEM Listing Rules;
- (iii) provide training materials to the relevant staff members of the Group in order to strengthen their existing knowledge with respect to the relevant requirements under GEM Listing Rules, and provide ongoing trainings to the staff members of the Group to reinforce their legal and regulatory requirements applicable to the business operations of the Group as well as the internal control of the Group; and
- (iv) engage an external legal advisor on an annual retainer basis to advise the Company on compliance with the GEM Listing Rules. The Company will work closely with the external legal advisor so as to comply with the GEM Listing Rules and consult external legal advisor before entry of any possible notifiable transactions.

Going forward, the Company will comply strictly with the relevant requirements of the GEM Listing Rules and monitor the internal control measures adopted by the Group.

### SGM

A notice convening the SGM is set out on pages SGM-1 to SGM-2 of this circular for the purpose of considering and, if thought fit, passing the ordinary resolution in relation to the Construction Agreement and the transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Construction Agreement and therefore no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve and ratify, among other things, the Construction Agreement.

Whether or not you are able to attend the SGM in person, please complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time fixed for the SGM or any adjourned meeting. Completion and delivery of the proxy form will not preclude you from attending and voting in person at the SGM or any adjourned meeting if you so wish.

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## LETTER FROM THE BOARD

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### CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Thursday, 8 July 2021 to Tuesday, 13 July 2021 (both dates inclusive) for determining the identity of the Shareholders who are entitled to attend and vote at the SGM. No transfer of Shares will be registered during this period. In order to be eligible to attend and vote at the SGM, unregistered holders of the Shares should ensure that all Share transfer documents accompanied by the relevant Share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Wednesday, 7 July 2021.

### RECOMMENDATION

Having considered the reasons set out herein, the Directors are of the view that the entry of the Construction Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all Shareholders to vote in favour of the ordinary resolution to be proposed at the SGM to approve and ratify the Construction Agreement and the transactions contemplated thereunder.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

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

## 1. FINANCIAL INFORMATION OF THE GROUP

Details of the financial information of the Group for the years ended 31 December 2018, 2019 and 2020 are disclosed in the following annual reports of the Company for the years ended 31 December 2018, 2019 and 2020, respectively, which have been published and are available on the website of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the website of the Company ([www.yuxing.com.cn](http://www.yuxing.com.cn)):

- (i) the annual report 2018 of the Company for the year ended 31 December 2018 which is published on 28 March 2019, please refer to pages 57 to 143 in particular;

(<https://www1.hkexnews.hk/listedco/listconews/gem/2019/0328/gln20190328059.pdf>)

- (ii) the annual report 2019 of the Company for the year ended 31 December 2019 which is published on 30 March 2020, please refer to pages 58 to 149 in particular;

(<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0330/2020033000467.pdf>)

- (iii) the annual report 2020 of the Company for the year ended 31 December 2020 which is published on 30 March 2021, please refer to pages 58 to 147 in particular.

(<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0330/2021033001463.pdf>)

The said financial statements are hereby incorporated by reference in, and form an integral part of, this circular.

## 2. INDEBTEDNESS

### Borrowings

As at 30 April 2021, the Group had total outstanding borrowings of approximately HK\$142,255,000, comprising secured bank borrowings of approximately HK\$142,255,000 in aggregate. As at 30 April 2021, all bank borrowings of the Group and other unutilised facilities were secured by the Group's certain investment properties, leasehold improvements, right-of-use assets, financial assets at fair value through profit or loss and bank deposits with an aggregate carrying amount of approximately HK\$466,024,000.

### Lease liabilities

As at 30 April 2021, the Group had outstanding lease liabilities of approximately HK\$9,465,000 in respect of the Group's operating leases with fixed lease payment terms.

### Commitments

As at 30 April 2021, the Group had capital commitment in respect of the design and service agreements and construction contracts at contract sum of approximately HK\$4,801,000 in aggregate for the expansion of the investment properties of the Group.

**Contingent liabilities**

As at 30 April 2021, the Group had no contingent liabilities.

**Disclaimer**

As at 30 April 2021, save as disclosed above and apart from intra-group liabilities and normal trade and other payables in the ordinary course of business, the Group did not have any other debt securities issued and outstanding or authorised but unissued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, finance lease or hire purchase commitments, guarantees or other material contingent liabilities.

**3. MATERIAL ADVERSE CHANGE**

References are made to the profit warning announcement dated 3 May 2021 and the first quarterly results announcement for the three months ended 31 March 2021 which stated that the Group expected to record a loss attributable to owners of the Company. Saved as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2020, being the date to which the latest published audited financial statements of the Group were made up.

**4. WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this circular in the absence of any unforeseeable circumstances after taking into account its present internal resources and available banking facilities.

**5. FINANCIAL AND TRADING PROSPECTS**

As disclosed in the annual report for the year ended 31 December 2020 of the Company, although the global economy has experienced severe recession, the international trade has recorded sharp decline, and the external environment was turbulent in the year 2020, during which COVID-19 suddenly broke out, the Group has managed to steadily promote its business development, reflecting the effectiveness of its strategies.

In respect of the IDC business of the Group, the Group achieved a steady growth of revenue in 2020. In May 2020, the Group completed a sale and leaseback arrangement with a lessee, which contributed to increased revenue from the IDC business. Due to the adverse impact of COVID-19, the construction progress of the IDC project of the Group in San Jose, the U.S.A. fell behind the original schedule. The Phase I of the project is expected to be ready for operation in the first half of 2021 and will contribute to the continuous improvement of revenue from IDC business. The Group will start a feasibility study for a second data centre in the U.S.A. thereafter.

With the robust development of digital economy and the continuous implementation of 5G commercialisation, due to a concentrated burst of demand for online office, online education and live broadcasting, high-traffic scenarios such as ultra-high-definition videos and virtual reality (VR)/augmented reality (AR) continue to increase. The surge of data traffic brings new challenges to IDC service providers on network transmission rate, rapid deployment and computing capability, but it also provides new opportunities for the development of IDC industry at the same time. 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.

Under the trend of large-scale, intensive and green development in the IDC industry, the Group will proactively build the intelligentized IDC with characteristics of high performance, easy maintenance, and flexible expansion in core cities and regions, and will improve the competitiveness of the Group's IDC business through green and refined operation and maintenance, to help our customers achieve digital transformation and commercial success.

As for the information home appliances (“**IHA**”) business of the Group, the Group strived to become a well-known terminal technology solution provider in respect of broadband audio-visual multimedia. Leveraging on its technology know-how and independent research and development (“**R&D**”) capabilities accumulated over the years, the Group realised customisation of multifunctional product forms based on customers' needs. Despite fierce market competition, customer purchase orders of the Group resumed gradually in the second half of 2020. In future, the Group will maintain its strong market competitiveness through consistent investment in technology and R&D innovation and will continue to improve the profitability of its IHA business. The Directors look forward to the continued growth and success for the IHA business of the Group.

On 14 May 2021, the Group entered into a procurement agreement in respect of the procurement of hashrate capacity of 2,416 sets of A10 pro 6G and 7G version machines for a term of three (3) years at the total consideration of RMB290,000,000. Details of the procurement agreement and transactions contemplated thereunder are set out in the announcements of the Company dated 14 May 2021, 31 May 2021 and 2 June 2021. The Company is considering various means of satisfaction of the consideration under the procurement agreement including utilisation of internal resources and if necessary, obtaining external financing by way of debt, equity or otherwise and will comply with the applicable requirements under the GEM Listing Rules if and when necessary.

## 1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

## 2. DISCLOSURE OF INTERESTS

### A. Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company

#### (1) Long positions in the shares of the Company

As at the Latest Practicable Date, interests or short positions of the Directors, chief executives of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or (iii) pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange, were as follows:

| Name of Directors             | Nature of interests | Capacity                             | Number of shares held | Approximate percentage of the total issued share capital of the Company |
|-------------------------------|---------------------|--------------------------------------|-----------------------|---|
| Mr. Li Qiang                  | Personal            | Beneficial owner                     | 4,604,000             | 0.19%   |
| Mr. Cong Yu ( <i>Note 1</i> ) | Personal            | Interest of a controlled corporation | 741,379,800           | 29.80%  |
| Mr. Gao Fei                   | Personal            | Beneficial owner                     | 2,190,000             | 0.09%   |
| Mr. Shi Guangrong             | Personal            | Beneficial owner                     | 22,660,000            | 0.91%   |
| Mr. Zhu Jiang                 | Personal            | Beneficial owner                     | 7,926,756             | 0.32%   |
| Ms. Shen Yan                  | Personal            | Beneficial owner                     | 324,000               | 0.01%   |

*Note:*

1. Mr. Cong Yu is an executive Director and owns the entire equity interest in Cedar Surplus Investments Limited. As Cedar Surplus Investments Limited holds 55% interest in Unicorn Resources Inc., Mr. Cong Yu is therefore deemed to be interested in the 741,379,800 Shares held by Unicorn Resources Inc.



*(2) Long positions in the underlying shares of the Company*

Pursuant to the share option scheme of the Company approved by the Shareholders on 14 January 2015, the Directors and chief executive of the Company in the capacity as beneficial owners were granted unlisted and physically settled share options to subscribe for the shares of the Company, details of which as at the Latest Practicable Date were as follows:

| Name of grantees  | Date of grant | Exercise price per share<br>HK\$ | Exercisable period        | Outstanding as at<br>1 January<br>2021 | Number of shares issuable under the<br>share options |                                |                             | Outstanding as at the<br>Latest<br>Practicable<br>Date |
|-------------------|---------------|----------------------------------|---------------------------|--|--|--------------------------------|-----------------------------|--|
|                   |               |                                  |                           |  | Granted during the<br>period                         | Exercised during the<br>period | Lapsed during the<br>period |  |
| <b>Directors</b>  |               |                                  |                           |  |  |                                |                             |  |
| Mr. Li Qiang      | 30.08.2019    | 0.33                             | 30.08.2019-<br>29.08.2022 | 2,000,000                              | -  | -                              | -                           | 2,000,000  |
| Mr. Gao Fei       | 30.08.2019    | 0.33                             | 30.08.2019-<br>29.08.2022 | 2,000,000                              | -  | -                              | -                           | 2,000,000  |
| Mr. Shi Guangrong | 30.08.2019    | 0.33                             | 30.08.2019-<br>29.08.2022 | 13,000,000                             | -  | -                              | -                           | 13,000,000   |
| Mr. Zhu Jiang     | 30.08.2019    | 0.33                             | 30.08.2019-<br>29.08.2022 | 13,000,000                             | -  | -                              | -                           | 13,000,000   |
| Ms. Shen Yan      | 30.08.2019    | 0.33                             | 30.08.2019-<br>29.08.2022 | 1,000,000                              | -  | -                              | -                           | 1,000,000  |
| Ms. Dong Hairong  | 30.08.2019    | 0.33                             | 30.08.2019-<br>29.08.2022 | 2,000,000                              | -  | -                              | -                           | 2,000,000  |
|                   |               |                                  |                           | <u>33,000,000</u>                      | <u>-</u>   | <u>-</u>                       | <u>-</u>                    | <u>33,000,000</u>                                      |

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or an employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

**B. Substantial Shareholders' interest and short positions in shares and underlying shares**

*Long positions in the shares and underlying shares of the Company*

As at the Latest Practicable Date, so far as is known to the Directors, the following persons (not being a Director or chief executive of the Company) had interest or short position in shares or underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provision of Divisions 2 and 3 of Part XV of the SFO or which would be required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

| Name of Shareholders   | Nature of interests | Capacity                             | Number of shares held | Approximate percentage of the total issued share capital of the Company |
|--|---------------------|--------------------------------------|-----------------------|---|
| Unicorn Resources Inc.<br>("Unicorn") (Note 1)                       | Corporate           | Beneficial owner                     | 741,379,800           | 29.80%  |
| Cedar Surplus Investments Limited ("Cedar Surplus") (Note 1)         | Corporate           | Interest of a controlled corporation | 741,379,800           | 29.80%  |
| Mr. Zhu Weisha (Note 2)  | Personal            | Interest of a controlled corporation | 741,379,800           | 29.80%  |
|  |                     | Beneficial owner                     | 19,000,000            | 0.76%   |
| Honbridge Holdings Limited (Stock Code: 8137) ("Honbridge") (Note 3) | Corporate           | Beneficial owner                     | 351,867,200           | 14.14%  |
| Hong Bridge Capital Limited ("Hong Bridge") (Note 3)                 | Corporate           | Interest of a controlled corporation | 351,867,200           | 14.14%  |
| Mr. He Xuechu (Note 4)   | Personal            | Interest of a controlled corporation | 351,867,200           | 14.14%  |
|  |                     | Interest of spouse                   | 300,000               | 0.01%   |
| Ms. Foo Yatyan (Note 4)  | Personal            | Interest of spouse                   | 351,867,200           | 14.14%  |
|  |                     | Beneficial owner                     | 300,000               | 0.01%   |

*Notes:*

- Unicorn is the beneficial owner of 741,379,800 Shares. Cedar Surplus holds 55% interest in Unicorn and it is deemed to be interested in the 741,379,800 Shares held by Unicorn.

2. Mr. Zhu Weisha holds 45% interest in Unicorn and he is deemed to be interested in the 741,379,800 Shares held by Unicorn. The remaining interest in 19,000,000 Shares is beneficially owned by Mr. Zhu Weishu, representing 19,000,000 underlying shares in respect of the share options granted by the Company on 30 August 2019.
3. Honbridge is the beneficial owner of 351,867,200 Shares. Hong Bridge holds 41.25% interest in Honbridge and it is deemed to be interested in the 351,867,200 Shares held by Honbridge.
4. Mr. He Xuechu holds 51% interest in Hong Bridge (which holds 41.25% interest in Honbridge) and he is therefore deemed to be interested in the 351,867,200 Shares held by Honbridge. Ms. Foo Yatyan is the beneficial owner of 300,000 Shares. As Ms. Foo Yatyan is the spouse of Mr. He Xuechu, Ms. Foo Yatyan is deemed to be interested in all the Shares in which Mr. He Xuechu is interested and Mr. He Xuechu is deemed to be interested in all the Shares in which Ms. Foo Yatyan is interested.
5. Based on a total of 2,487,704,800 Shares as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors were not aware of any other person (other than the Directors and the chief executives of the Company) who had interests or short positions in the shares or underlying shares (including any interests in options in respect of such capital) of the Company, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

### **3. SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had entered, or proposed to enter into a service contract with the Group which was not determinable by the Group within one year without payment of compensation, other than statutory compensation.

### **4. INTEREST IN ASSETS OR CONTRACTS**

- (a) As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired, disposed of or leased to or which are proposed to be acquired, disposed of or leased to any member of the Group since 31 December 2020, being the date to which the latest published audited accounts of the Company were made up.
- (b) As at the Latest Practicable Date, none of the Directors is materially interested in any contract or arrangement subsisting at the date of this circular which is significant in relation to the business of the Group.

### **5. DIRECTORS' INTEREST IN COMPETING BUSINESS**

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors, controlling Shareholders or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group.

## 6. LITIGATION

Save as disclosed in this circular, as at the Latest Practicable Date, so far as known to the Directors, there is no litigation, arbitration or claim of material importance in which the Group is engaged or pending or threatened against the Group.

## 7. MATERIAL CONTRACTS

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Group within the two (2) years immediately preceding the date of this circular which are or may be material:

- (a) the supplemental agreement dated 2 June 2021 for amending the payment terms and the delivery terms of the procurement agreement dated 14 May 2021 (with details as set out in paragraph (b) below) in respect of the extension of the payment date of the second instalment and change of the delivery term;
- (b) the procurement agreement dated 14 May 2021 entered into between Grand Choice Development Limited (as purchaser) and Wuhan Quanyaocheng Technology Co., Ltd.\* (武漢全耀成科技有限公司) (as vendor) in respect of the procurement of hashrate capacity of 2,416 sets of A10 pro 6G and 7G version machines for a term of three (3) years at the total consideration of RMB290,000,000;
- (c) the memorandum of understanding dated 7 May 2021 entered into between Sheng Bang Qiang Dian Electronics (Shenzhen) Company Limited\* (盛邦強點電子(深圳)有限公司) (as purchaser) and Wuhan Quanyaocheng Technology Co., Ltd.\* (武漢全耀成科技有限公司) (as vendor) in respect of the purchase of 3,000 sets of A10 pro supercomputing machines;
- (d) the conditional equity transfer agreement dated 28 April 2021 entered into amongst Indeed Holdings Limited, Empress Investments Pte. Ltd. and the Company in relation to the proposed disposal of 100% of the equity interest of Shanghai Indeed Technology Co., Ltd. (上海一鼎電子科技有限公司) by Indeed Holdings Limited at the consideration of US\$68,000,000 (subject to adjustments);
- (e) the second supplemental loan agreement dated 31 December 2020 for amending the terms of the loan agreement dated 9 December 2019 (with details as set out in paragraph (o) below) in respect of further extension of the maturity date of the remaining loan in the principal amount of HK\$41,000,000 for one year to be repayable on or before 31 December 2021;
- (f) the subscription agreement dated 30 December 2020 entered into between Cedar Surplus Investments Limited (as subscriber) and the Company in respect of the subscription for 250,016,000 subscription Shares at the subscription price of HK\$0.20 per subscription Share;

- (g) the subscription agreement dated 30 December 2020 entered into between Mr. Zhu Weisha (as subscriber) and the Company in respect of the subscription for 164,600,000 subscription Shares at the subscription price of HK\$0.20 per subscription Share;
- (h) the second supplemental loan agreement dated 17 December 2020 for amending the terms of the loan agreement dated 19 December 2019 (with details as set out in paragraph (n) below) in respect of further extension of the maturity date of the remaining loan in the principal amount of RMB90,000,000 and the interest payable for one year to be repayable on or before 16 December 2021;
- (i) the supplemental loan agreement dated 18 September 2020 for amending the terms of the loan agreement dated 19 December 2019 (with details as set out in paragraph (n) below) in respect of extension of the maturity date of the loan in principal amount of RMB100,000,000 for three months to be repayable on or before 17 December 2020;
- (j) the supplemental loan agreement dated 29 June 2020 for amending the terms of the loan agreement dated 9 December 2019 (with details as set out in paragraph (o) below) in respect of extension of the maturity date of the remaining loan in the principal amount of HK\$41,000,000 and the interest payable for six months to be repayable on or before 31 December 2020;
- (k) the supplemental loan agreement dated 17 June 2020 for amending the terms of the loan agreement dated 18 March 2020 (with details as set out in paragraph (m) below) in respect of the replacement of a guarantor;
- (l) the sale and leaseback agreement dated 29 April 2020 entered into between Cloud Digital Co., Limited (the “Lessor”) and Daily-Tech HongKong Co., Limited (the “Lessee”) in respect of an arrangement involving the sale of certain data centre assets in the Shatin data centre in Hong Kong by the Lessee to the Lessor at a consideration of HK\$60,000,000 and lease back of such assets by the Lessee from the Lessor for a term of five (5) years;
- (m) the loan agreement dated 18 March 2020 entered into between Cloud Digit Investment LP (as lender) and High Sharp Electronic Limited (as borrower) in relation to the granting of a loan facility in the principal amount of HK\$60,000,000 for a term of 18 months commencing from the drawdown date;
- (n) the loan agreement dated 19 December 2019 entered into between Beijing E-rich Investment Management Co., Ltd.\* (北京裕睿投資管理有限公司) (as lender) and Beijing Aihuan Times Technology Limited\* (北京愛換時代科技股份有限公司) (as borrower) in relation to the granting of a loan facility in the principal amount of RMB100,000,000 for a term commencing from the drawdown date and ending on 18 September 2020;

- (o) the loan agreement dated 9 December 2019 entered into between Yuxing Technology Company Limited (as lender) and Daily-Tech HongKong Co., Limited (as borrower) in relation to the granting of a loan facility in the principal amount of HK\$80,000,000 for a term commencing from the drawdown date and ending on 30 June 2020;
- (p) the subscription agreement dated 14 July 2019 entered into between Thousand Best Group Limited (as subscriber) and the Company in respect of the subscription for 200,000,000 subscription Shares at the subscription price of HK\$0.30 per subscription Share;
- (q) the subscription agreement dated 14 July 2019 entered into between Mr. Lian Jiahua (as subscriber) and the Company in respect of the subscription for 70,000,000 subscription Shares at the subscription price of HK\$0.30 per subscription Share; and
- (r) the Construction Agreement.

\* *For identification purposes only*

## 8. MISCELLANEOUS

- (a) The registered office of the Company is situated at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda.
- (b) The head office and principal place of business in Hong Kong of the Company is situated at Unit 5-6, 9/F, Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.
- (c) The Hong Kong branch share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen' s Road East, Wan Chai, Hong Kong.
- (d) The company secretary of the Company is Dr. Liu Wei. He has a PRC lawyer qualification and is a solicitor qualified to practice law in Hong Kong and in England.
- (e) The compliance officer of the Company is Mr. Shi Guangrong pursuant to Rule 5.19 of the GEM Listing Rules.
- (f) The audit committee of the Company comprises three independent non-executive Directors, namely, Ms. Shen Yan, Ms. Dong Hairong and Ms. Huo Qiwei.

The primary duties of the audit committee are mainly: (a) to review the Group's annual reports, consolidated financial statements, interim reports and quarterly reports; (b) to review and supervise the financial reporting process, risk management and the internal control procedures of the Group; and (c) to liaise with the external auditor at least twice a year and provide advice and comments thereon to the Board. Further details on the terms of reference of the audit committee are available on the website of the Company and the website of the Stock Exchange.

- (g) In the event of inconsistency, the English text of this circular shall prevail over the Chinese text thereof.

## **9. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following documents are available for inspection at the principal place of business of the Company in Hong Kong at Unit 5-6, 9/F, Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong during normal business hours on any business day (except Saturdays and public holidays) from the date of this circular up to 14 days thereafter:

- (a) the memorandum of association and the Bye-laws;
- (b) the annual reports for each of the three years ended 31 December 2018, 2019 and 2020 of the Company;
- (c) the material contracts referred to in the paragraph headed "7. Material Contracts" in this appendix; and
- (d) this circular.

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## NOTICE OF SGM

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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)**

#### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a Special General Meeting (the “**SGM**”) of Yuxing InfoTech Investment Holdings Limited (the “**Company**”) will be held at Unit 5-6, 9/F, Enterprise Square Three, No. 39 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on 13 July 2021 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following ordinary resolution:

#### AS ORDINARY RESOLUTION

**“THAT:**

- (a) to approve and ratify the Construction Agreement entered into on 4 April 2019 with Concept CSI in relation to the construction of Phase I of the IDC in the U.S.A. and the transactions contemplated thereunder; and
- (b) Mr. Cong Yu or Mr. Chen Biao, each being a director of the Company, be and is hereby authorized to do all such things and acts as he may in his discretion consider as necessary, expedient or desirable for the purpose of or in connection with the implementation of the Construction Agreement, including but not limited to the execution of all such documents under seal where applicable, as he considers necessary or expedient in his opinion to implement and/or give effect to the Construction Agreement and the transactions thereunder, and to agree with such variation, amendment or waiver as, in the opinion of the Directors, in the interests of the Company and its shareholders as a whole.”

By order of the Board

**Yuxing InfoTech Investment Holdings Limited**

**Cong Yu**

*Executive Director and Chief Executive Officer*

Hong Kong, 25 June 2021

\* *For identification purpose only*



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## NOTICE OF SGM

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*Notes:*

1. The ordinary resolution to be considered at the meeting will be decided by poll. On voting by poll, each member shall have one vote for each share held in the Company.
2. A member entitled to attend and vote at the meeting of the Company is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A member may appoint a proxy in respect of part only of his/her holding of shares in the Company. A proxy need not be a member of the Company.
3. The instrument appointing a proxy shall be in writing under the hand of the appointor or of his/her attorney duly authorised in writing, or if the appointor is a corporation, either under seal or under the hand of an officer, attorney or other person authorised to sign the same.
4. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a notarised copy thereof must be delivered to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, No. 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for the holding of the meeting (or any adjournment thereof).
5. Delivery of an instrument appointing a proxy shall not preclude a member from attending and voting in person at the meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. Where there are joint registered holders of any shares of the Company, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto; but if more than one of such joint persons be present at the meeting personally or by proxy, then one of the said persons so present whose name stands first on the register of members in respect of such shares of the Company shall alone be entitled to vote in respect thereof and his/her vote shall be accepted to the exclusion of the votes of the other joint holders.