THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

This circular appears for information only and does not constitute an initiation or offer to shareholders or any other persons to acquire, purchase, or subscribe for 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)

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE PROPOSED DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN BEIJING GOLDEN YUXING ELECTRONICS AND TECHNOLOGY COMPANY LIMITED

VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE PROPOSED REPURCHASE(S) OF NO MORE THAN 41 MILLION "A" SHARES BUT NO LESS THAN 27 MILLION "A" SHARES OF PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.

MAJOR TRANSACTION IN RELATION TO THE NEW DISPOSAL MANDATE

AND

NOTICE OF SGM

Financial adviser to Yuxing InfoTech Investment Holdings Limited

ANGLO CHINESE 英高
CORPORATE FINANCE, LIMITED

Anglo Chinese Corporate Finance, Limited

The notice convening the SGM to be held at Units 2107-8 21/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on Friday, 15th November 2013 at 11:00 a.m. is set out on pages 92 to 95 to this circular.

A form of proxy for the SGM is enclosed with this circular. If you do not propose to attend the SGM, you are requested to complete the proxy form and return the same at the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time appointed for the SGM of the Company 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 with.

The circular will remain on the "Latest Company Announcements" page of the GEM website at 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.

* *For identification purposes only*

31st October 2013

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the 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. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, 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.

CONTENTS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

"Actual Repurchase Consideration"	the actual consideration for the Proposed Repurchase(s) paid by Yuxing International or its designated entities to the Purchaser
"Agreement"	關於北京金裕興電子技術有限公司的股權及資產重組協議 (Agreement on the Reorganisation of the Equity and Assets of Beijing Golden Yuxing Electronics and Technology Company Limited) dated 11th October 2013 in relation to the Transactions
"Amount Payable to SZSB"	an outstanding intercompany balance of RMB32 million due from Golden Yuxing to SZSB
"associates"	has the meaning given to it under the GEM Listing Rules
"Bilateral Agreement"	the bilateral agreement entered into between the JI Shareholders on 8th June 2012 for the purpose of governing their respective interests in Ping An A Shares through their equity interests in JI
"Board"	the board of Directors
"Business Day"	any statutory business day of the PRC; or when referring to the business day of the banking systems of the PRC, any day when banks are open for business in the PRC
"Company"	Yuxing InfoTech Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the GEM
"connected person"	has the meaning given to it under the GEM Listing Rules
"Cut-off Date"	the date when the registration procedures at the relevant industrial and commerce bureaus complete (which shall be the date specified on the new business licence of Golden Yuxing to be issued)
"Debts Payable"	debts payable of RMB488 million of Golden Yuxing comprising the Amount Payable to SZSB and a total of RMB456 million including the Settlement Fee and related expenses as at the date of the Agreement

"Default Payment"	a default payment payable by either Yuxing International or JI to the other party (or its designated entities) under the Agreement if, respectively, Yuxing International (or its designated entities) fails to repurchase or JI fails to sell the corresponding number of Ping An A Shares within the Repurchase Period (including but not limited to such Ping An A Shares which are subject to pledge or freezing orders imposed by courts or other restrictions)
"Deposit"	a deposit of RMB30 million payable by the Purchaser to ZSSB within five Business Days from the date of the Agreement as part of the terms of the Total Disposal Consideration
"Differential Payment"	the payment to be made by the Purchaser, Yuxing International or their respective designated entities to the other side if the Actual Repurchase Consideration is different from the Initial Repurchase Consideration for the Proposed Repurchase(s)
"Directors"	the director(s) of the Company
"Disposal Mandate"	the disposal mandate granted to the Board by the Shareholders at the special general meeting dated 18th March 2013 of the Company which authorises and empowers the Board to sell up to 10,714,285 Ping An A Share at a minimum selling price of not less than RMB42 per Ping An A Share for a period of 18 months from the Release Date
"Disposal Price per Ping An A Share" or "Repurchase Price per Ping An A Share"	RMB37.29 per Ping An A Share, calculated with reference to the aggregate trading value of Ping An A Shares for the 20 consecutive trading days prior to the date of the Agreement divided by the aggregate trading volume of Ping An A Shares for the 20 consecutive trading days prior to the date of the Agreement
"Enlarged Group"	the Group excluding Golden Yuxing after the expiry of the Repurchase Period
"Final Payment Date"	the date when the Total Disposal Consideration is fully paid by the Purchaser to the Vendors

"Final Settlement Agreement"	the settlement agreement (和解協議書) entered into among Golden Yuxing, JLB Group and other parties on 4th February 2013 in relation to the settlement of certain legal proceedings and extinguishment of all the claims between the parties to the settlement agreement, details of which can be referred to the circular dated 28th February 2013 of the Company
"GEM"	the Growth Enterprise Market of the Stock Exchange
"GEM Listing Rules"	the Rules Governing the Listing of Securities on the GEM
"Golden Yuxing"	北京金裕興電子技術有限公司 (Beijing Golden Yuxing Electronics and Technology Company Limited), a company incorporated in the PRC and wholly owned by the Company
"Group"	the Company and its subsidiaries
"Guarantee"	the guarantee dated 4th February 2013 issued by the Company to Golden Yuxing in favour of the JLB Group pursuant to the terms of the Final Settlement Agreement
"HHXL Investment" or "Purchaser"	華浩信聯(北京)投資有限公司 (Hua Hao Xin Lian (Beijing) Investment Co., Ltd.*), a company incorporated in the PRC with limited liability
"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)"	third party(ies) independent of the Company and connected persons (with the meaning ascribed under the GEM Listing Rules) of the Company
"Indicated Repurchased Ping An A Shares"	the number of Ping An A Shares to be repurchased under the Proposed Repurchase(s) as indicated by Yuxing International to JI from time to time

"Initial Repurchase Consideration"	the aggregate consideration of no more than RMB1,528.9 million (equivalent to approximately HK$1,932.6 million) for the Proposed Repurchase(s) calculated with reference to the formula set out in the sub-section headed "Principal terms of the Agreement – The Proposed Repurchase(s) – Initial Repurchase Consideration" in the letter from the Board of this circular
"JI"	工布江達江南實業發展有限公司 (Gongbujiangda Jiangnan Industrial Development Co. Ltd.*), formerly known as 深圳市江南實業發展有限公司 (Shenzhen Jiangnan Industrial Development Co., Ltd.*), whose principal asset is 139,112,886 Ping An A Shares as at the Latest Practicable Date
"JI Shareholders"	Golden Yuxing and the Other JI Shareholder, each a JI Shareholder
"JLB Group"	廣東健力寶集團有限公司 (Guangdong Jianlibao Group Company Limited*), a company incorporated in the PRC
"Latest Practicable Date"	28th October 2013, being the latest practicable date for ascertaining certain information referred to in this circular prior to printing this circular
"Loan"	a one year term loan in the principal amount of RMB156 million (equivalent to approximately HK$197.2 million) made available to Golden Yuxing by JI pursuant to a loan agreement dated 27th September 2013 entered into between Golden Yuxing and JI for the purpose of payment of the first tranche of RMB150 million (equivalent to approximately HK$189.6 million) of the Settlement Fee and related expenses
"Loan Agreement"	a loan agreement dated 27th September 2013 entered into between Golden Yuxing and JI for the purpose of payment of the first tranche of RMB150 million (equivalent to approximately HK$189.6 million) of the Settlement Fee and related expenses as referred to in the announcement dated 27th September 2013 of the Company

"Loan Security"	the security of 8.8 million Ping An A Shares (including any dividends and other interests arising in relation to the relevant shares) which are not subject to the Ping An Freezing Order provided by JI to an independent financier in respect of a fundraising transaction with the independent financier to raise funds for the Loan as referred to in the announcement dated 27th September 2013 of the Company
"New Disposal Mandate"	the revised Disposal Mandate to be granted to the Board by the Shareholders at the SGM to facilitate the implementation of the Proposed Repurchase(s) during the Repurchase Period. Details of the proposed amendments to the Disposal Mandate are set out in the section "The Disposal Mandate and the New Disposal Mandate" in the letter from the Board to this circular
"Other JI Shareholder"	林芝正大環球投資有限公司 (Linzhi Zhengda Global Investment Co., Ltd.*), holder of 63.34% equity interest in JI
"Other Remaining Debts"	the other remaining debts (not including the Debts Payable) of Golden Yuxing comprising all the liabilities in Golden Yuxing's accounts as at the Cut-off Date which shall not exceed RMB3 million
"Ping An"	中國平安保險(集團)股份有限公司 (Ping An Insurance (Group) Company of China, Ltd.), a joint stock limited company incorporated in the PRC with limited liability
"Ping An A Shares"	"A" shares of Ping An which are listed on Shanghai Stock Exchange (Stock code: 601318)
"Ping An Capital Adjustments"	increase or decrease in the share capital of Ping An including capitalisation of capital reserves and surplus reserves, distribution of stock dividends and reduction of share capital etc. during the period from the date of the Agreement to the date of completion of registration of transfer of the Ping An A Shares for each relevant Proposed Repurchase

"Ping An Freezing Order"	the freezing order on 7.188% equity interest in JI (and hence the Group's associated indirect economic benefits of 10 million Ping An A Shares) held by Golden Yuxing imposed by the Guangdong Higher Court (the future dividend entitlements of such 7.188% equity interest will not be frozen) as a security for Golden Yuxing to pay the Settlement Fee, subject to the provision of the Guarantee by the Company in favour of JLB Group to make good any shortfall in the Settlement Fee payable by Golden Yuxing, in accordance with the terms of the Final Settlement Agreement
"PRC"	The People's Republic of China (for the purpose of this circular, excluding Hong Kong and Macau Special Administrative Region and Taiwan Province)
"Proposed Disposal"	the disposal of the 100% equity interests in Golden Yuxing by the Vendors to the Purchaser
"Proposed Repurchase(s)"	the repurchase(s) of no more than 41 million Ping An A Shares but no less than 27 million Ping An A Shares from JI by Yuxing International or its designated entities under the terms of the Agreement
"Release Date"	25th April 2013, being the next day after the date of acknowledgement by the relevant local Administration for Industry and Commerce of the notice issued by the Guangdong Higher Court in relation to the release of Golden Yuxing's 29.472% equity interest in JI (and hence the associated economic benefits of 41 million Ping An A Shares)
"Remaining Group	the Group excluding Golden Yuxing before the commencement of the Repurchase Period
"Repurchase Period"	90 days after the Final Payment Date as extended by the number of trading days for which the trading of the Ping An A Shares is suspended
"RMB"	Renminbi, the lawful currency of the PRC
"Settlement Fee"	the settlement fee of RMB450 million payable by Golden Yuxing to JLB Group pursuant to the Final Settlement Agreement

"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
"SGM"	the special general meeting of the Company to be held on 15th November 2013 to approve, amongst other things, the Transactions and other transactions contemplated under the Agreement
"Shareholders"	holders of the Shares
"Shares"	ordinary shares of HK$0.025 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"SZSB"	盛邦強點電子(深圳)有限公司 (Sheng Bang Qiang Dian Electronics (Shenzhen) Company Limited), a company incorporated in the PRC and wholly owned by the Company
"Total Disposal Consideration"	the sum of the ZSSB Disposal Consideration and the Yuxing International Disposal Consideration (subject to tax adjustments)
"Transactions"	the Proposed Disposal and the Proposed Repurchase(s)
"Vendors"	Yuxing International and ZSSB
"Yuxing International"	Yuxing Group (International) Limited, a company incorporated in the British Virgin Islands with limited liability and wholly owned by the Company
"Yuxing International Disposal Consideration"	approximately RMB1,383.8 million payable by the Purchaser to Yuxing International in respect of the transfer of 99% equity interest in Golden Yuxing from Yuxing International to the Purchaser under the Proposed Disposal
"ZSSB"	盛邦強點電子(中山)有限公司 (Sheng Bang Qiang Dian Electronics (Zhongshan) Company Limited), a company incorporated in the PRC and wholly owned by the Company

"ZSSB Disposal Consideration"	RMB30 million (subject to deducting the Other Remaining Debts), comprising two tranches, payable by the Purchaser to ZSSB in respect of the transfer of 1% equity interest in Golden Yuxing from ZSSB to the Purchaser under the Proposed Disposal
"%"	per cent

* *For identification purpose only*

Unless otherwise specified in this circular, the English names of the PRC entities are translation of their Chinese names, and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.

For the purpose of this circular, translations of RMB into HK$ are made for illustration purpose only at the exchange rate of RMB0.7911 to HK$1.00.

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:
Zhu Wei Sha *(Chairman)*
Chen Fu Rong *(Deputy Chairman)*
Shi Guang Rong
Wang An Zhong
Zhu Jiang

Independent Non-executive Directors:
Shen Yan
Wu Jia Jun
Zhong Peng Rong

Registered Office:
Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

Principal place of business in Hong Kong:
Units 2107-8 21/F
Exchange Tower
33 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

31st October 2013

To the Shareholders

Dear Sir or Madam,

VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE PROPOSED DISPOSAL OF THE ENTIRE EQUITY INTERESTS IN BEIJING GOLDEN YUXING ELECTRONICS AND TECHNOLOGY COMPANY LIMITED

VERY SUBSTANTIAL ACQUISITION IN RELATION TO THE PROPOSED REPURCHASE(S) OF NO MORE THAN 41 MILLION "A" SHARES BUT NO LESS THAN 27 MILLION "A" SHARES OF PING AN INSURANCE (GROUP) COMPANY OF CHINA, LTD.

MAJOR TRANSACTION IN RELATION TO THE NEW DISPOSAL MANDATE

AND

NOTICE OF SGM

INTRODUCTION

Reference is made to the announcements dated 11th October 2013 and 28th October 2013 issued by the Company. On 11th October 2013 after trading hours, Yuxing International, ZSSB and Golden Yuxing, all wholly owned subsidiaries of the Company, entered into the conditional

Agreement with the Purchaser and JI pursuant to which the Purchaser has agreed to acquire and each of Yuxing International and ZSSB has agreed to sell 99% and 1% of the entire equity interests in Golden Yuxing, respectively, at the Total Disposal Consideration. At the same time, it was agreed that Yuxing International or its designated entities shall repurchase no more than 41 million Ping An A Shares but no less than 27 million Ping An A Shares from JI during the Repurchase Period. On 28th October 2013, the Company announced that in order to facilitate the implementation of the Proposed Repurchase(s), it is proposed that amendments be made to the Disposal Mandate to give the Group additional flexibility to dispose of the repurchased Ping An A Shares under the New Disposal Mandate during the Repurchase Period.

The purpose of this circular is to provide you with, among other things, the details of the Proposed Disposal, the Proposed Repurchase(s), the New Disposal Mandate and other information as required under the GEM Listing Rules.

PRINCIPAL TERMS OF THE AGREEMENT

Date

11th October 2013 (after trading hours)

Parties

(i) Yuxing International, as the first vendor;

(ii) ZSSB, as the second vendor (together with Yuxing International, the Vendors);

(iii) HHXL Investment, as the Purchaser;

(iv) Golden Yuxing, as the target company; and

(v) JI.

HHXL Investment is a company incorporated in the PRC with limited liability and principally engaged in investment and investment management, investment consulting, real estate consulting etc. As at the Latest Practicable Date, HHXL Investment is held as to 3% by Qinbo (秦博), 37% by 陝西嘉特科技有限公司 (Shaanxi Jiate Technology Co., Ltd.*) and 60% by 杭州永原網絡科技有限公司 (Hangzhou Yongyuan Network Technology Co., Ltd.*). Shaanxi Jiate Technology Co., Ltd. is ultimately beneficially owned by three individuals and Hangzhou Yongyuan Network Technology Co., Ltd. is ultimately beneficially owned by Yang Maolan (楊茂蘭) as to 51.43% and five other individuals as to the remaining 48.57%. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of HHXL Investment, its respective associates and ultimate beneficial shareholders is an Independent Third Party. The Purchaser approached the Vendors to initiate the negotiations of the Agreement.

Golden Yuxing, a sino-foreign co-operative joint venture, is owned as to 99% by Yuxing International and 1% by ZSSB, both of which are wholly owned subsidiaries of the Company. Golden Yuxing is indirectly interested in 51 million Ping An A Shares through its 36.66% equity interest in JI.

JI is a company established as a domestic enterprise in the PRC with principal assets of 139,112,886 Ping An A Shares as at the Latest Practicable Date. The Company, through Golden Yuxing, has an equity interest of 36.66% in JI (and hence the associated economic benefits of the corresponding 51 million Ping An A Shares). The Other JI Shareholder, 林芝正大環球投資有限公司 (Linzhi Zhengda Global Investment Co., Ltd.*), holds the remaining 63.34% equity interests in JI. To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Other JI Shareholder and its respective associates and ultimate beneficial shareholders is an Independent Third Party.

The Proposed Disposal

Assets to be disposed

100% equity interest of Golden Yuxing (including its 36.66% equity interest in JI and hence the associated economic benefits of the corresponding 51 million Ping An A Shares).

After completion of the Proposed Disposal, Golden Yuxing will become a wholly owned subsidiary of the Purchaser.

The Total Disposal Consideration

The Total Disposal Consideration is determined after arm's length negotiation on the basis of the following formula:

The Disposal Price per Ping An A Share

times (x) 51 million Ping An A Shares

minus (-) Debts Payable

minus (-) Other Remaining Debts

The Total Disposal Consideration based on the above formula will be no more than approximately RMB1,413.8 million (equivalent to approximately HK$1,787.1 million) but no less than approximately RMB1,410.8 million (equivalent to approximately HK$1,783.3 million) (subject to deduction of the Other Remaining Debts). Of the Total Disposal Consideration, approximately RMB1,383.8 million (equivalent to approximately HK$1,749.2 million) will be paid to Yuxing International and RMB30 million (equivalent to approximately HK$37.9 million) (subject to deduction of the Other Remaining Debts) will be paid to ZSSB.

The parties to the Agreement also agreed that the bank balances (after taking into account any interest expenses) of Golden Yuxing immediately before the Cut-off Date belong to Yuxing International and ZSSB and shall be paid to Yuxing International or ZSSB or their designated entities within five Business Days from the Cut-off Date; and bank balances (after taking into account any interest expenses) of Golden Yuxing on and after the Cut-off Date belong to Golden Yuxing and the Purchaser.

Golden Yuxing shall settle the Amount Payable to SZSB in full within five Business Days from the date of approval of the Transactions by the Shareholders at the SGM. Under the Agreement, the Purchaser agreed to provide capital to Golden Yuxing for settling the Amount Payable to SZSB. Since the Amount Payable to SZSB is deducted from the Total Disposal Consideration, the Company considers that it is more commercially favourable for the Vendors to receive the Amount Payable to SZSB before, but not after, the payment of the Total Disposal Consideration to the Vendors.

In addition to the payment of the Total Disposal Consideration in the manner specified in the paragraph headed "Payment terms for the Total Disposal Consideration" below, after the date of the Agreement, the Debts Payable shall continue to be assumed by Golden Yuxing and the Purchaser agreed to provide unconditional financial support to Golden Yuxing such that the latter can timely and fully repay the Debts Payable as and when they fall due.

Payment terms for the Total Disposal Consideration

The Total Disposal Consideration will not be paid to Yuxing International and ZSSB in accordance with their respective shareholdings in Golden Yuxing. The ZSSB Disposal Consideration is proportionally higher than the Yuxing International Disposal Consideration as ZSSB is a domestically established and operated PRC company and it is the Group's intention to retain more cash in the PRC for operational purposes. Given that Yuxing International and ZSSB are both wholly owned subsidiaries of the Company, the fact that the Total Disposal Consideration will not be paid to Yuxing International and ZSSB in accordance with their respective shareholdings in Golden Yuxing will not have any material impact on the Group on a consolidated basis.

The Total Disposal Consideration shall be payable by the Purchaser to the Vendors by cash in the following manner:

Payment of the ZSSB Disposal Consideration

The parties to the Agreement agreed that a Deposit of RMB30 million shall be paid by the Purchaser to ZSSB within five Business Days from the date of the Agreement. The Deposit does not form part of the Total Disposal Consideration and will be refunded by ZSSB in full to the Purchaser within five Business Days from the Final Payment Date.

In the event that any of the conditions as set out in the paragraph headed "Conditions for the Agreement to become effective" below cannot be fulfilled by 1st June 2014, ZSSB shall refund the Deposit to the Purchaser in full within five Business Days from the date on which the last of such conditions is not fulfilled.

If the Agreement becomes effective upon satisfaction of the conditions set out in the paragraph headed "Conditions for the Agreement to become effective" below, ZSSB shall refund the Deposit to the Purchaser in full within five Business Days from the Final Payment Date.

Further, the ZSSB Disposal Consideration should be paid in two tranches:

(i) the first tranche of RMB27 million of the ZSSB Disposal Consideration shall be paid within five Business Days by the date of approval by the relevant commerce bureau; and

(ii) the second tranche or the balance of the ZSSB Disposal Consideration shall be paid within five Business Days from the Cut-off Date after deducting the Other Remaining Debts.

In the event that the Purchaser fails to settle the first tranche of the ZSSB Disposal Consideration for more than five Business Days after the payment due date referred to above, the Deposit will not be refunded to the Purchaser. The PRC legal advisor of the Company confirms that the failure of the Purchaser in paying for the first tranche of the ZSSB Disposal Consideration within five Business Days from the date of approval by the relevant commerce bureau constitutes a breach of the Agreement. In this event, whether the Company will proceed with the Agreement depends on an objective assessment of, amongst other things, the prevailing circumstances and reasons for the delay in payment. If, for example, there is only a short delay and the reasons for the delay are acceptable to ZSSB, ZSSB may choose to treat this as an immaterial breach of the Agreement and proceed with the Agreement.

The Vendors shall apply for the registration of transfer of the equity interest in Golden Yuxing from the Vendors to the Purchaser at the relevant industrial and commerce bureaus within five Business Days from the date when all the following conditions are satisfied:

(i) the fulfilment of all the conditions for the Agreement to become effective;

(ii) the payment of the Deposit by the Purchaser to ZSSB;

(iii) the settlement of the Amount Payable to SZSB by the Purchaser on behalf of Golden Yuxing; and

(iv) the completion of the pledge of 32.2 million Ping An A Shares by JI referred to below.

In the event that the Vendors delay in applying for the relevant registration procedures for more than five Business Days after the date on which all the four conditions referred to above are fulfilled, such delay shall constitute a breach of the Agreement and an amount equivalent to two times of the Deposit shall be paid to the Purchaser by the Vendors.

On 16th October 2013, ZSSB has received the Deposit from the Purchaser and condition (ii) as referred to above has been satisfied.

Payment of the Yuxing International Disposal Consideration

The Yuxing International Disposal Consideration shall be paid by the Purchaser to Yuxing International within five Business Days from the date of the foreign exchange payment approval by the relevant government authority in respect of the Proposed Disposal. In the event that the Purchaser fails to make such payment in full on time, the Purchaser is liable to pay an overdue penalty with an applicable daily interest rate of 0.03% to Yuxing International or its designated entities.

Pledge of 32.2 million Ping An A Shares by JI

Pursuant to the Agreement, JI agreed to pledge its 32.2 million Ping An A Shares to guarantee the payment of the Total Disposal Consideration by the Purchaser to the Vendors and the obligation of JI under the Proposed Repurchase(s). JI shall complete the relevant procedures of such pledge within five Business Days from the effective date of the Agreement.

The 32.2 million Ping An A Shares represent the 51 million Ping An A Shares currently held by JI excluding the 10 million Ping An A Shares subject to the Ping An Freezing Order and the 8.8 million Ping An A Shares subject to the Loan Security.

The Proposed Repurchase(s)

Assets to be acquired

Pursuant to the Agreement, Yuxing International (for itself or its designated entities) is committed to repurchasing no more than 41 million Ping An A Shares but no less than 27 million Ping An A Shares from JI during the Repurchase Period. Yuxing International and the Purchaser shall finalise the amount of the Initial Repurchase Consideration prior to each Proposed Repurchase. The Proposed Repurchase(s) can be made in several tranches and through the same or different entities instructed by Yuxing International from time to time during the Repurchase Period. The exact number of Ping An A Shares to be repurchased will be determined by Yuxing International at the time when each Proposed Repurchase is conducted.

The maximum number of 41 million Ping An A Shares under the Proposed Repurchase(s), which shall be subject to the Ping An Capital Adjustments, is determined on the basis of the 51 million Ping An A Shares currently held by JI excluding the 10 million Ping An A Shares subject to the Ping An Freezing Order.

To illustrate the adjustment to the maximum number of the 41 million Ping An A Shares as a result of the Ping An Capital Adjustments, by way of example, if there is a bonus issue of one bonus Ping An A Share for every ten existing Ping An A Shares, the maximum number of Ping An A Shares to be repurchased shall be adjusted from 41 million to 45.1 million, i.e. 41 million + (41 million/10). As Ping An is a company listed both on the Stock Exchange and the Shanghai Stock Exchange and any adjustment to its share capital is disclosed to the public, the Ping An Capital Adjustments can be calculated and its impact on the maximum number of Ping An A Shares to be repurchased can be assessed by reference to such disclosure. It is therefore not necessary for the corresponding Ping An Capital Adjustments to be subsequently confirmed by an independent professional party.

The minimum number of 27 million Ping An A Shares under the Proposed Repurchase(s) is determined on the basis of (i) the Total Disposal Consideration of no more than approximately RMB1,413.8 million but no less than approximately RMB1,410.8 million and taking into account additional cash requirements of approximately RMB400 million currently estimated for the payment of approximately RMB140 million for taxes and expenses associated with the Transactions and approximately RMB260 million partly for the Differential Payment in respect of the Proposed Repurchase(s) and partly for the Remaining Group's general working capital purposes (and in the absence of the Differential Payment, entirely for such general working capital purposes); and (ii) the Repurchase Price per Ping An A Share.

Based on the estimate of the Company, the Total Disposal Consideration after deducting the additional cash requirements referred to above should be sufficient for financing the Proposed Repurchase(s) of no less than 27 million Ping An A Shares.

The Company will comply with the applicable requirements of the GEM Listing Rules if there is any change in the maximum and minimum numbers of Ping An A Shares under the Proposed Repurchase(s).

The Initial Repurchase Consideration

The calculation of the Initial Repurchase Consideration for the Proposed Repurchase(s) is arrived at after arm's length negotiations on the basis of the following formula:

The Repurchase Price per Ping An A Share

times (x) number of Ping An A Shares to be repurchased by Yuxing International or its designated entities for the Proposed Repurchase(s) subject to the maximum number of 41 million Ping An A Shares and the minimum number of 27 million Ping An A Shares to be repurchased under the Proposed Repurchase(s) on the basis of the share capital of Ping An as at the date of the Agreement

The Repurchase Price per Ping An A Share is the same as the Disposal Price per Ping An A Share. Under the Agreement, Yuxing International or its designated entities are not prohibited from acquiring Ping An A Shares from other third parties. However, as mentioned above, Yuxing International is obliged to repurchase no less than 27 million Ping An A Shares from JI during the Repurchase Period.

The maximum number of 41 million Ping An A Shares in calculating the Initial Repurchase Consideration takes into account the 10 million Ping An A Shares subject to the Ping An Freezing Order but it does not take into account the 8.8 million Ping An A Shares subject to the Loan Security which is currently expected to be released during the Repurchase Period.

As disclosed below, the Repurchase Period shall commence on the Final Payment Day. According to the terms of the Agreement, after the Cut-off Date which shall be no later than 30th June 2014, the foreign exchange payment approval by the relevant government authority in respect of the Proposed Disposal shall be obtained. The Final Payment Date shall then take place within five Business Days after the date of the foreign exchange payment approval by the relevant government authority in respect of the Proposed Disposal. The Repurchase Period will commence shortly thereafter.

As disclosed in the Company's announcement dated 23rd October 2013, the First Tranche of RMB150 million of the Settlement Fee has been paid by Golden Yuxing to JLB Group and its designated entities on 23rd October 2013. In this regard, the Company currently expects that subject to the internal procedures of the independent financier, the Loan will be repaid by Golden Yuxing after the Cut-off Date. In addition, the Company believes if the number of Ping An A Shares to be repurchased under the Proposed Repurchase(s) exceeds 32.2 million shares, in order to discharge the obligations of JI to sell a sufficient amount of Indicated Repurchased Ping An A Shares to Yuxing International or its designated entity during the Repurchase Period to avoid the Default Payment, the Purchaser will repay the Loan and arrange for the release of the Loan Security during the Repurchase Period.

The Actual Repurchase Consideration

In the event that the Actual Repurchase Consideration for each Proposed Repurchase is different from the Initial Repurchase Consideration as calculated above, each of the Purchaser, Yuxing International or their respective designated entities shall pay the Differential Payment to the other side.

If the Actual Repurchase Consideration is higher than the Initial Repurchase Consideration, the Purchaser or its designated entities should transfer the Differential Payment representing the excess amount paid by the Yuxing International or its associates to a designated bank account of Yuxing International or its associates. Yuxing International or its designated entities shall also be responsible for paying the taxes and transaction costs associated with such excess amount on behalf of JI for each Proposed Repurchase(s). If the Actual Repurchase Consideration is lower than the Initial Repurchase Consideration, Yuxing International or its associates should transfer the Differential Payment representing the shortfall between Initial Repurchase Consideration and the Actual Repurchase Consideration to a designated bank account of the Purchaser or its associates.

The Differential Payment (including the taxes and transaction costs) is also applicable where the Actual Repurchase Consideration differs from the Initial Repurchase Consideration as a result of the Ping An Capital Adjustments. In the example in the sub-section headed "The Proposed Repurchase(s) – Assets to be acquired" above, as a result of the adjustment to the number of maximum number of Ping An A Shares to be repurchased from 41 million to 45.1 million following the bonus issue, if such 45.1 million Ping An A Shares are actually repurchased during the Repurchase Period, the Purchaser shall pay the Vendors a Differential Payment equivalent to the Actual Repurchase Consideration, being 45.1 million times (x) the actual repurchase price per Ping An A Share, minus (-) 41 million times (x) the Repurchase Price per Ping An A Share. In addition, the Differential Payment must be made within five Business Days from the date of completion of the relevant share registration procedures for each Proposed Repurchase(s).

Accordingly, the Differential Payment caters for (i) changes in fluctuations in the share prices of the Ping An A Shares during the Repurchase Period; and (ii) changes in the quantities of the Ping An A Shares repurchased under the Proposed Repurchase(s) as a result of the Ping An Capital Adjustments.

Timing and methods of the Proposed Repurchase(s)

As mentioned above, the Yuxing International Disposal Consideration will be paid by the Purchaser within five Business Days from the date of the foreign exchange payment approval by the relevant government authority in respect of the Proposed Disposal. The Repurchase Period will commence immediately thereafter and Yuxing International or its designated entities will then have the financial resources to implement the Proposed Repurchase(s).

In order to ensure that the Company is able to acquire the Ping An A Shares at a reasonable price during the Repurchase Period, apart from setting the Repurchase Price per Ping An A Share at the Disposal Price per Ping An A Share, the parties to the Agreement also agreed that the Proposed Repurchase(s) can be conducted in tranches because in the event that the share price of Ping An A Shares is increasing and Yuxing International has to acquire a smaller quantity of Ping An A Shares at a higher price, additional time will be allowed for the Purchaser to pay the Differential Payment to Yuxing International in respect of this particular tranche of the Proposed Repurchase and for Yuxing International to receive adequate funding to make additional Proposed Repurchase(s) before the expiry of the Repurchase Period. As such, the Company believes that the current arrangement in relation to the Proposed Repurchase(s) will give the Vendors more flexibility in conducting the Proposed Repurchase(s) in a reasonable timeframe.

In light of the relevant PRC laws and regulations including the trading rules of the Shanghai Stock Exchange and the significant amount of Ping An A Shares involved, it is not practicable for Yuxing International or its designated entities to repurchase Ping An A Shares directly from JI through private agreements or on market purchases. The PRC legal advisor of the Company is of the view that according to Article 3 of Interim Measures for Listed Companies to Handle the Transfer Business of Tradable Shares by Agreement (上市公司流通股協議轉讓業務辦理暫行規則) which took effect on 14th August 2006, based on the maximum number of 41 million Ping An A Shares under the Proposed Repurchase(s) which represents less than 5% of the total issued share capital of Ping An at the date of the Agreement, the Proposed Repurchase(s) do(es) not meet the requirement for transfer of tradable shares by private agreements. Further, Yuxing International or its designated entities and JI cannot conduct the Proposed Repurchase(s) by call auctions with each other because call auctions where the identity of each of the buyer and the seller of the shares is not known are not conducted on a one-to-one trading platform.

The Company therefore considers that it is more practicable to carry out the Proposed Repurchase(s) through block trades in the secondary market as block trades can facilitate the proposed arrangement under the Proposed Repurchase(s) whereby Yuxing International or its designated entities can buy, and JI can sell, an agreed amount of the Ping An A Shares simultaneously. According to the relevant Trading Rules of the Shanghai Stock Exchange, block trades of individual “A” shares can be executed subject to a lower limit and an upper limit of not more than 10% each of the closing price of the “A” shares on the previous trading day of the block trades. Yuxing International or its designated entities and JI will negotiate and confirm the actual price of each Proposed Repurchase within such limits.

According to the Trading Rules of the Shanghai Stock Exchange, block trading orders are classified into intent orders and execution orders.

An intent order shall include such information as securities account number, securities code, and buy or sell, etc. An execution order shall include such information as securities code, securities account number, buy or sell, execution price, and trading volume, etc.

An intent order shall be true and valid. In case the price of an intent order is not specified, it is deemed that the party who has placed such order is at least willing to buy at the prescribed lowest price or sell at the prescribed highest price. In case the quantity of an intent order is not specified, it is deemed that the party who has placed such order is at least willing to execute a trade in the lowest quantity as required for a single block trade.

After the buyer and the seller enter into an agreement on a block trade, they shall input execution orders into the trading system of the Shanghai Stock Exchange with identical execution price and trading volume shown in the execution orders.

Any execution order, once confirmed by the Shanghai Stock Exchange, shall not be modified or cancelled and the buyer and the seller must accept the execution results as final.

The PRC legal advisor of the Company advised that the clearing and settlement of block trades shall be conducted according to the regulations of the registration and clearing institution designated by the Shanghai Stock Exchange.

According to the Trading Rules of the Shanghai Stock Exchange, the prescribed lowest price and the prescribed highest price refer to, respectively, the lower limit and the upper limit of not more than 10% each of the closing price of the “A” shares on the previous trading day of the block trades described above.

Each of the intent order and the execution order forms part and parcel of a block trade transaction. As disclosed in the sub-section headed “Other obligations of the Proposed Repurchase(s) – The Default Payment” below, for each Proposed Repurchase, Yuxing International shall notify JI of the quantity of Indicated Repurchased Ping An A Shares in writing two trading days in advance of each Proposed Repurchase. Yuxing International or its designated entities and JI shall also negotiate and confirm the Actual Repurchase Consideration subject to the prescribed lowest price and the prescribed highest price referred to the above. As the identity of each of the buyer (Yuxing International or its designated entities) and the seller (JI), the quantity (the Indicated Repurchased Ping An A Shares) and the price (the Actual Repurchase Consideration) are known by the time when an intent order (in which the parties may choose to stipulate the price and quantity of the block trade) is submitted, the parties can proceed to input the execution order with the relevant information (which must include the price and quantity of the block trade) into the trading system of the Shanghai Stock Exchange for confirmation by the Shanghai Stock Exchange and completing the clearing and settlement procedures.

Yuxing International and JI will ensure compliance with, amongst other things, the Trading Rules of the Shanghai Stock Exchange in relation to block trades referred to above in carrying out the Proposed Repurchase(s).

It is agreed that Yuxing International or its designated entities can implement the Proposed Repurchase(s) through, amongst other things, direct and indirect holding vehicles and other legitimate trust and asset management arrangements and shall go through the necessary regulatory approvals.

Obligations under the Proposed Repurchase(s)

The Default Payment

If Yuxing International or its designed entities fail to repurchase the Ping An A Shares during the Repurchase Period or the actual number of Ping An A Shares repurchased by Yuxing International or its designated entities (where JI is not in breach of its selling obligations under the Proposed Repurchase(s)) is less than 27 million, Yuxing International shall be liable to pay the Default Payment which represents an absolute value calculated with reference to the following formula:

(Repurchase Price per Ping An A Share

minus (-) average daily trading price of Ping An A Shares for the day before expiry of the Repurchase Period) (*Note 1*)

times (x) (27 million Ping An A Shares – the actual number of Ping An A Shares repurchased by Yuxing International or its designated entities)

times (x) 2 (*Note 2*)

Notes:

1. Average daily trading price of Ping An A Shares on the date before expiry of the Repurchase Period is calculated with reference to the trading value of Ping An A Shares for the day before expiry of the Repurchase Period divided by the trading volume of Ping An A Shares for the day before expiry of the Repurchase Period. There are no upper limit and lower limit for the difference between the Repurchase Price per Ping An A Share and such average daily trading price.

2. The “2 times” multiple is determined with a view to increasing the penalty and cost of the defaulting party and hence ensuring that the Proposed Repurchase(s) can be carried out properly in accordance with the terms of the Agreement.

Although there is no upper limit for the difference between the Repurchase Price per Ping An A Share and the average daily trading price of Ping An A Shares for the day before expiry of the Repurchase Period in the formula above, as the Company is committed to repurchasing 27 million Ping An A Shares during the Repurchase Period, the Company considers that the possibility that Yuxing International (or any of its designated entity) is required to pay the Default Payment is remote.

If JI fails to sell the Ping An A Shares to Yuxing International or its designated entities during the Repurchase Period (whether or not such failure is caused by the disposal, transfer, pledge or encumbrances of the relevant Ping An A Shares by JI) or the actual amount of Ping An A Shares sold by JI to Yuxing International under the Proposed Repurchase(s) is less than the Indicated Repurchased Ping An A Shares, JI shall be liable to pay the Default Payment which represents an absolute value calculated with reference to the following formula:

(Repurchase Price per Ping An A Share

minus (-) average daily trading price of Ping An A Shares for the day before expiry of the Repurchase Period) (*See Note 1 above*)

times (x) (Indicated Repurchased Ping An A Shares – actual amount of Ping An A Shares sold by JI to Yuxing International during the Repurchase Period)

times (x) 2 (*See Note 2 above*)

The Purchaser and JI will be jointly and severally liable for JI's default.

The aggregate number of Indicated Repurchased Ping An A Shares for all Proposed Repurchases during the Repurchase Period shall be no more than 41 million shares but no less than 27 million shares. Yuxing International shall notify JI the quantity of Indicated Repurchased Ping An A Shares in writing two trading days in advance of each Proposed Repurchase.

The parties to the Agreement do not consider that the obligations to pay the Default Payment immediately arises when Yuxing International or its designated entities and JI cannot agree on the Actual Repurchase Consideration or other terms of block trades throughout the Repurchase Period. Rather relevant facts and circumstances will be assessed to determine if any party is in breach of the terms of the Agreement and hence liable to pay the Default Payment. Nonetheless, the Company is of the view that the key terms of the Proposed Repurchase(s), including but not limited to the consideration, the maximum and minimum numbers of Ping An A Shares to be repurchased and method of repurchase(s) have been determined as at the date of the Agreement and therefore as mentioned above the possibility that the Yuxing International (or any of its designated entity) is required to pay the Default Payment is remote.

Other obligations

The parties to the Agreement acknowledge that Yuxing International is entitled to designate other third parties and associates to exercise its rights and assume its obligations under the Agreement. It is also agreed that Yuxing International and ZSSB are jointly and severally entitled to the rights conferred on them under the Agreement and its ancillary agreements and each of them is entitled to request the Purchaser, JI and Golden Yuxing to discharge all their obligations in accordance with the terms of the Agreement and its ancillary agreements, including but not limited to the payment of all considerations for share transfers, settlement of the Debts Payable and sale of Ping An A Shares under the Proposed Repurchase(s).

During the period from the Cut-off Date to the end of the Repurchase Period, without the permission from Yuxing International, the Purchaser is not allowed to dispose of, transfer, pledge or create any encumbrances on no more than 41 million Ping An A Shares subject to the Proposed Disposal to be repurchased by Yuxing International under the Proposed Repurchase(s).

Further, during the period from the date of the Agreement to the completion of registration of equity transfer of all relevant Ping An A Shares repurchased by Yuxing International pursuant to the Proposed Repurchase(s), if the book closure date in relation to any dividend declared by Ping An A Shares takes place before Cut-off Date, the Vendors will be entitled to receive all the dividends associated with their economic interests in the 51 million Ping An A Shares and JI shall remit such dividends to the Vendors or their designated entities within five Business Days upon receipt by it.

Under the Agreement, in the event that any party to the Agreement fails to make any payments in accordance with the terms of the Agreement, the defaulting party is liable to pay an overdue penalty with an applicable daily interest rate of 0.03% to the other side.

Conditions for the Agreement to become effective

The Agreement shall become effective upon satisfaction of, among other things, the following conditions:

(i) the approval of the Proposed Disposal, the Proposed Repurchase(s) and the transactions contemplated under the Agreement by the Shareholders at the SGM pursuant to the GEM Listing Rules;

(ii) the board approval of Golden Yuxing in respect of the Proposed Disposal; and

(iii) the approval by Beijing Pinggu District Commission of Commerce (北京市平谷區商務委員會) on the Proposed Disposal.

As at the Latest Practicable Date, the above condition (iii) of the Agreement has not been fulfilled. The Group will officially submit the relevant materials in relation to the Proposed Disposal to Beijing Pinggu District Commission of Commerce after obtaining the Shareholders' approval on the Agreement.

In the event that the abovementioned conditions for the Agreement to become effective have not been fulfilled by 1st June 2014, and this is caused by any reason (including but not limited to the delay in the grant of approvals by relevant government authorities in relation to the Proposed Disposal) other than the default of either party to the Agreement:

(i) the Agreement shall be rescinded and terminated;

(ii) no party shall have any liability towards any other party(ies) to the Agreement;

(iii) ZSSB shall refund the Deposit to the Purchaser in full; and

(iv) Golden Yuxing shall repay the Purchaser any amount it has paid to SZSB without interest in respect of the Amount Payable to SZSB.

The Cut-off Date, the Final Payment Date and the Transition Period

The Cut-off Date

The parties to the Agreement agreed to use their best endeavours to ensure that the Cut-off Date takes place on or before 31st December 2013 but in any event no later than 30th June 2014. The date of completion of the transfer of the entire equity interests in Golden Yuxing shall be the Cut-off Date. For the purpose of registration of such equity transfer, the parties agreed to prepare an asset valuation report of Golden Yuxing with a reference date on 30th September 2013.

The Other Remaining Debts shall be confirmed by the Vendors and the Purchaser within five Business Days after the Cut-off Date. The parties to the Agreement agreed that the Other Remaining Debts will be settled by Golden Yuxing and will be deducted from the second tranche of the ZSSB Disposal Consideration.

The Final Payment Date

According to relevant PRC laws and regulations, as Yuxing International is a foreign incorporated enterprise, the Yuxing International Disposal Consideration shall be paid after the Cut-off Date. Therefore, the Final Payment Date shall take place after the Cut-off Date but within five Business Days from the date of the foreign exchange payment approval by the relevant government authority in respect of the Proposed Disposal.

The Transition Period

(i) Phase 1

The parties to the Agreement agreed that during the period from the date of the Agreement to the day before the Cut-off Date, the Vendors will be responsible for managing Golden Yuxing. The Purchaser undertakes that the debts owed to the Vendors by their debtors before the Cut-off Date (if any) belong to the Vendors and Golden Yuxing and the Purchaser shall pay back the proceeds from repayments of such debts to the Vendors or their designated entities in five Business Days after the receipt of such proceeds.

(ii) Phase 2

During the period from the Cut-off Date to the Final Payment Date, the Purchaser will be responsible for managing Golden Yuxing and any of the existing and former management or personnel of Golden Yuxing (if any) shall assist the Purchaser in the daily operation of Golden Yuxing. Any claims or debts incurred on and after the Cut-off Date shall be undertaken by Golden Yuxing.

Pledge of additional 6 million Ping An A Shares by JI

After the completion of the Proposed Disposal, the Company will no longer hold any equity interest in Golden Yuxing and the Group will have no obligation for the payment of the outstanding Settlement Fee (which has been deducted from the Total Disposal Consideration) for which Golden Yuxing is liable. Pursuant to the Agreement, the Purchaser is required to provide financial assistance to Golden Yuxing to fulfill its obligations under the Final Settlement Agreement.

The Debts Payable comprise (i) the Loan which will be used primarily for the payment of the first tranche of the Settlement Fee and related expenses; and (ii) Golden Yuxing's payment obligations of the second and third tranche of the Settlement Fee, which are subject to, respectively, the Ping An Freezing Order in respect of 10 million Ping An A Shares and the Loan Security in respect of 8.8 million Ping An A Shares. Based on the Disposal Price per Ping An A Share, the aggregate value of these 18.8 million Ping An A Shares amounts to approximately RMB701.1 million and therefore exceeds the expected total amount of RMB488 million of the Debts Payable as at the date of the Agreement. As such, the Company, upon seeking the advice of the PRC legal advisor, considers that the Ping An Freezing Order and the Loan Security are adequate safeguards against the non-payment of the Debts Payable by Golden Yuxing after the Cut-off Date.

However, since the obligations of the Company under the Guarantee will continue after the Proposed Disposal, pursuant to the terms of the Agreement, JI agreed to pledge 6 million Ping An A Shares held by it to ZSSB to ensure that the Purchaser will provide financial assistance to Golden Yuxing to fulfil its obligations under the Final Settlement Agreement, especially to pay the two outstanding tranches of the Settlement Fee amounting to RMB300 million. The Board is therefore of the view that the 6 million Ping An A Shares to be pledged by JI under the Agreement will be sufficient to cover the Company's obligations under the Guarantee.

The registration procedures of the pledge of the 6 million Ping An A Share shall be completed by JI within five Business Days after the Cut-off Date.

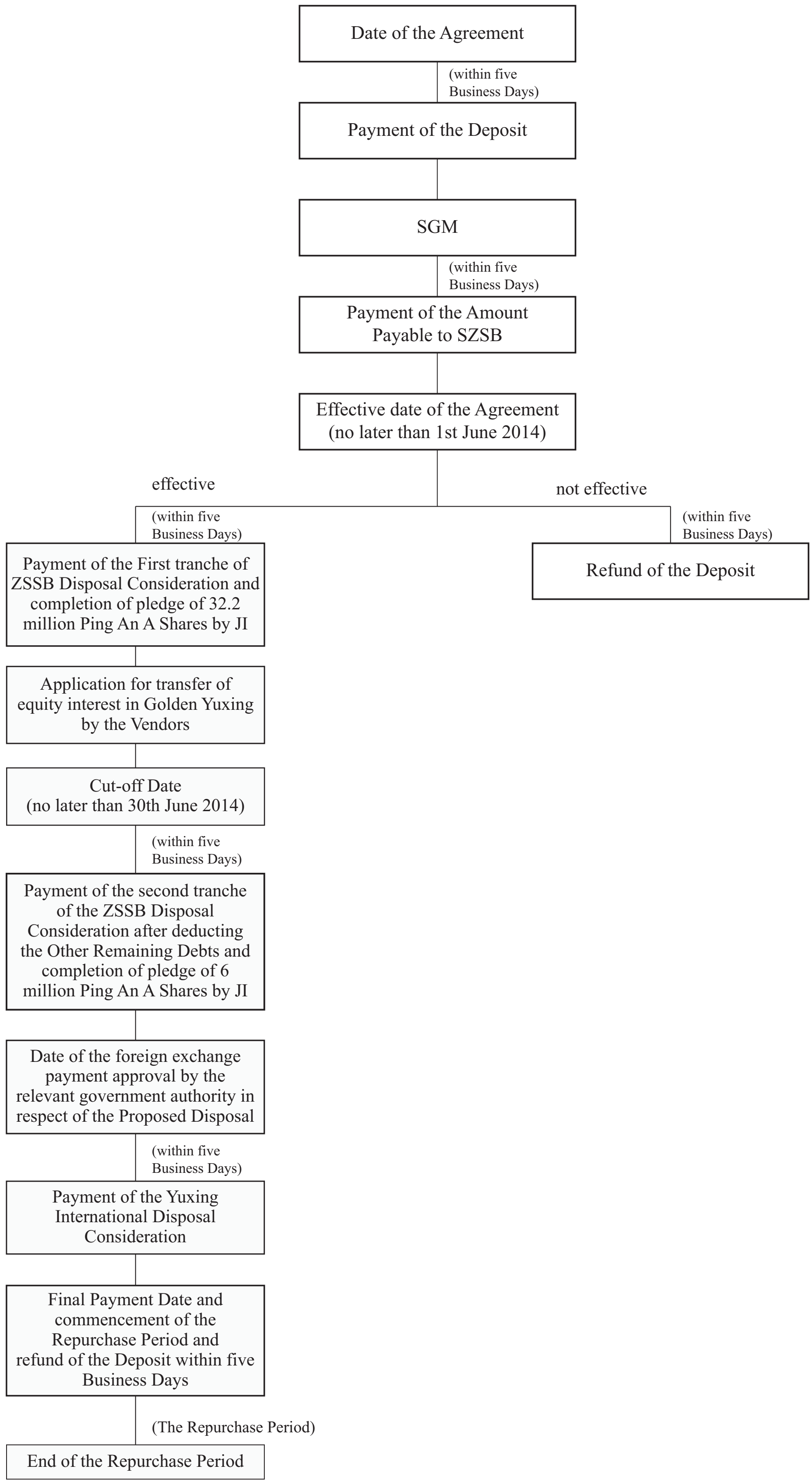
As disclosed in the announcements dated 27th September 2013 and 23rd October 2013 of the Company, Golden Yuxing and JI entered into the agreement dated 27th September 2013 relating to the Loan for settling the first tranche of RMB150 million of Settlement Agreement which is due to be paid by Golden Yuxing within six months from the Release Date and related expense. Golden Yuxing has agreed for JI to enter into a fundraising transaction with an independent financier to raise funds for the Loan on the Loan Security. Subsequently on 23rd October 2013, Golden Yuxing has used the Loan provided by JI to fully pay for the first tranche of the Settlement Fee to JLB Group and its designated entities.

The major terms of the Loan including term, interest, use and security are disclosed in the announcement dated 27th September 2013 of the Company.

CONSENT OF THE OTHER JI SHAREHOLDER

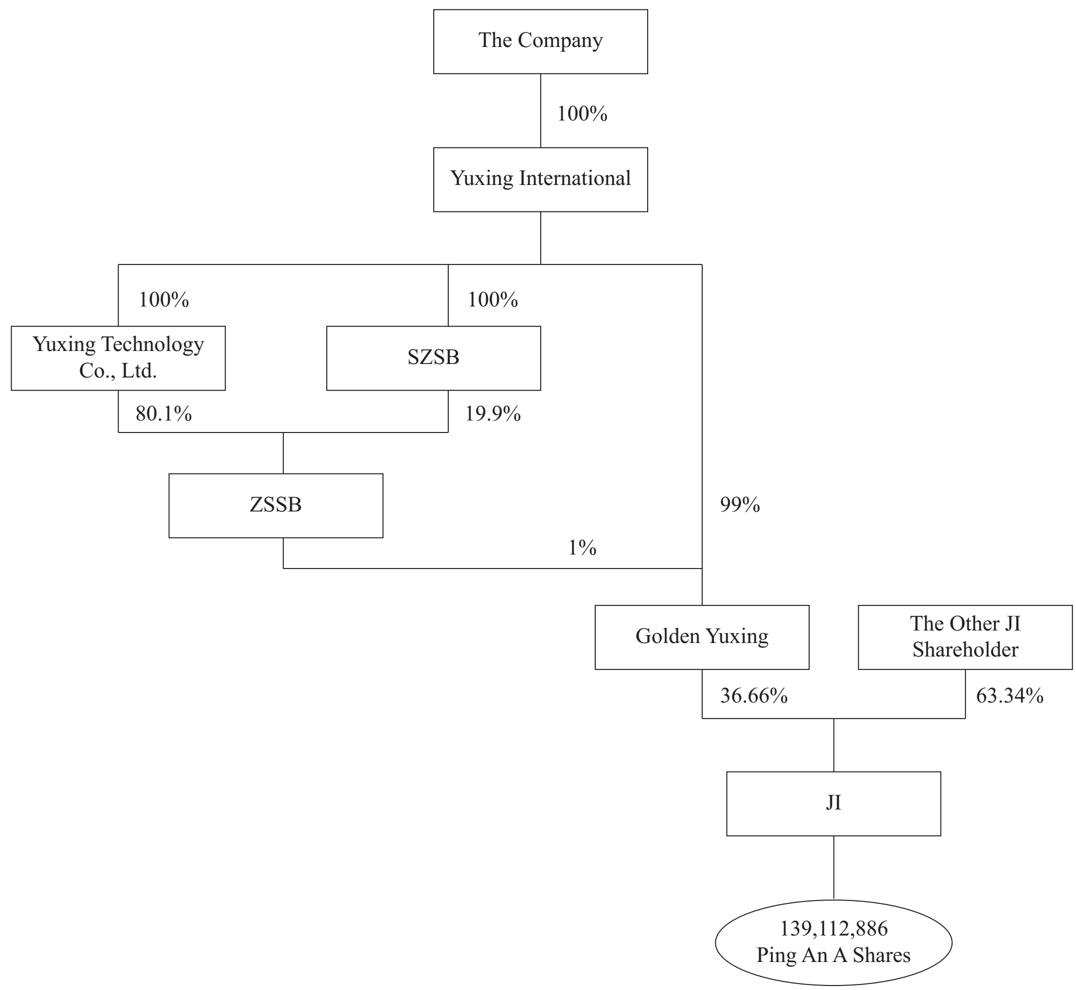
Pursuant to the Bilateral Agreement, as permitted by applicable PRC law, each of the JI Shareholders has the right to transfer its indirect equity holding in Ping An A Shares at its sole discretion (including but not limited to, the methods of transfer, the number of Ping An A Shares to be transferred, and the transfer price). In addition, each of the JI Shareholders has waived its pre-emptive rights to acquire the Ping An A Shares indirectly held by the other JI Shareholder, and agreed to assist the other JI Shareholder to complete the acquisition or transfer of its own equity holding in Ping An A Shares. The PRC legal advisor of the Company is therefore of the view that the Proposed Disposal does not require consent of the Other JI Shareholder. The Proposed Repurchase(s) however is not a type of corporate action contemplated under the Bilateral Agreement and the cooperation of the Other JI Shareholder is required in order to ensure that it is implemented in accordance with the articles and internal procedures of JI. In this connection, the Other JI Shareholder has provided a written consent in respect of the Transactions to the parties to the Agreement at the time of entering into the Agreement.

INDICATIVE TIMELINE OF THE TRANSACTIONS

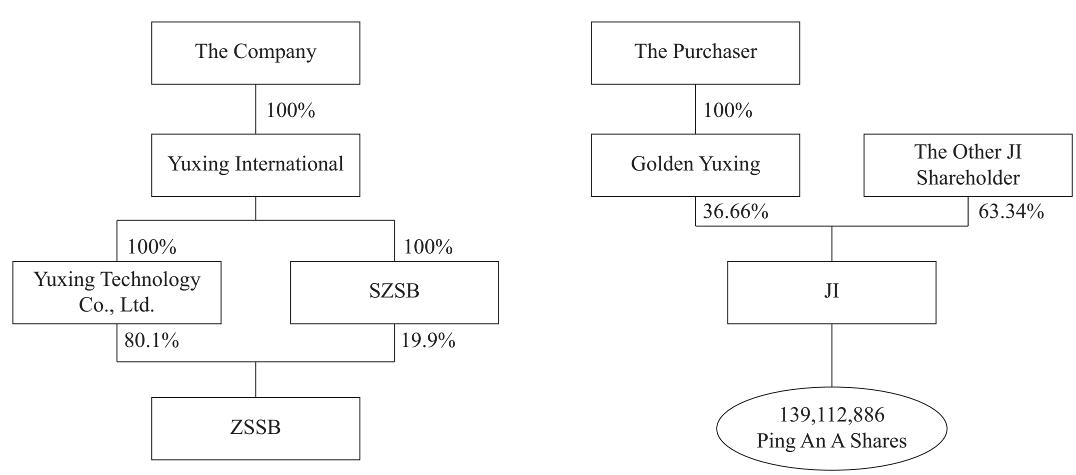


SHAREHOLDING STRUCTURE OF THE GROUP BEFORE AND AFTER THE TRANSACTIONS

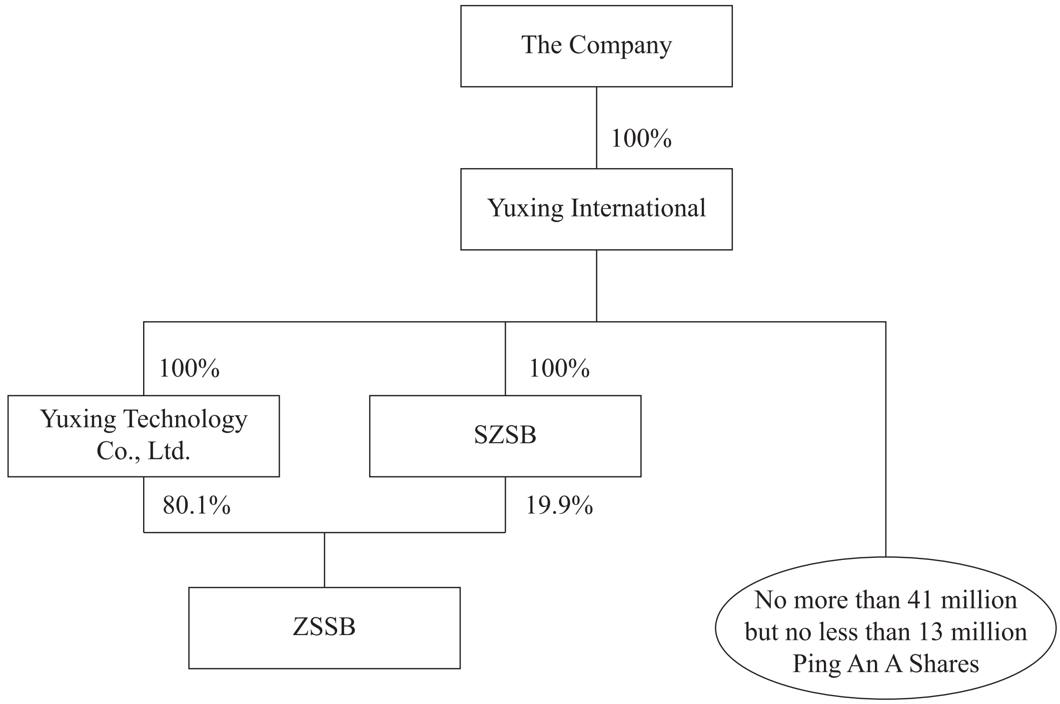
(i) Shareholding structure at the Latest Practicable Date



(ii) Shareholding structure after the Proposed Disposal but before the Proposed Repurchase



(iii) Shareholding structure after the Transactions and expiring of the New Disposal Mandate



THE DISPOSAL MANDATE AND THE NEW DISPOSAL MANDATE

As a result of the Transactions, Golden Yuxing will cease to be a subsidiary of the Group and the major terms of the Disposal Mandate including the manner in which the Disposal Mandate can be exercised become invalid. Therefore, the Disposal Mandate will no longer be effective. In the meantime, as disclosed in the section headed "The Proposed Repurchase(s) – Assets to be acquired" above, the minimum number of 27 million Ping An A Shares to be repurchased by Yuxing International or its designated entities under the Proposed Repurchase(s) has been determined with reference to the Total Disposal Consideration of no more than approximately RMB1,413.8 million but no less than approximately RMB1,410.8 million and taking into account additional cash requirements of approximately RMB400 million currently estimated for the payment of approximately RMB140 million for taxes and expenses associated with the Transactions and approximately RMB260 million partly for the Differential Payment in respect of the Proposed Repurchase(s) and partly for the Remaining Group's general working capital purposes (and in the absence of the Differential Payment, entirely for such general working purposes). During the Repurchase Period, the Company may require additional capital to repurchase up to 41 million Ping An A Shares in accordance with the terms of the Proposed Repurchase(s). The Company would also like to take advantages of rising market prices of the Ping An A Shares during the Repurchase Period to dispose of the repurchased Ping An A Shares at more favourable prices in the market prior to conducting subsequent Proposed Repurchase(s) at a lower Repurchase Price per Ping An A Share.

In the circumstances, the Board intends to seek for the Shareholders' approval at the SGM on the following proposed amendments to the Disposal Mandate and the New Disposal Mandate be adopted in order to give the Group additional flexibility to dispose of the repurchased Ping An A Shares when the market prices of the Ping An A Shares are rising prior to completing the repurchase exercises at end of the Repurchase Period. The Board considers that the Group will benefit from the proposed arrangement under the New Disposal Mandate because the proceeds from the disposals of the repurchased Ping An A Shares at higher market prices can subsequently be used to acquire more Ping An A Shares from JI at the Repurchase Price per Ping An A Share in accordance with the terms of the Agreement.

Set out below are proposed revisions to the Disposal Mandate and the terms of the New Disposal Mandate which have been approved by the Board:

	Disposal Mandate	**New Disposal Mandate**
1. *Mandate Period*	– for a period of 18 months from the Release Date	– same as the Repurchase Period
2. *Maximum Number of Ping An A Shares*	– 10,714,285 Ping An A Shares	– 14 million Ping An A Shares, being the difference between the maximum number of 41 million Ping An A Shares and the minimum number of 27 million Ping An A Shares under the Proposed Repurchase(s). To be consistent with the adjustments to be made to the maximum number of Ping An A Shares that can be repurchased under the Proposed Repurchase(s) as a result of the Ping An Capital Adjustments, the maximum number of Ping An A Shares to be disposed of will be subject to the Ping An Capital Adjustments.

	Disposal Mandate	New Disposal Mandate
3. *Scope of Authority*	– the Board is authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the Possible Disposal, including, without limitation, the number of batches of disposals, the number of Ping An A Shares to be sold in each disposal, the timing of each disposal, the manner of disposal (whether in the open market or through block trade(s)), the target purchasers and the selling price (subject to the parameters set out in "5. Mechanism for Setting the Selling Price" below)	– for the purpose of facilitating the subsequent Proposed Repurchase(s), the Board is authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the disposals pursuant to the New Disposal Mandate, including, without limitation, the number of batches of disposals, the number of Ping An A Shares to be sold in each disposal, the timing of each disposal, the manner of disposal (whether in the open market or through block trade(s)), the target purchasers and the selling price (subject to the parameters set out in "5. Mechanism for Setting the Selling Price" below)
4. *Manner of Disposal*	– apart from disposal of Ping An A Shares in the open market on Shanghai Stock Exchange, Golden Yuxing may also dispose of its holding of Ping An A Shares during the mandate period through block trade(s) to identified buyer(s) or by way of placing through open market sales placing agent(s). The terms and conditions of such block trade(s) or disposal will be negotiated on an arms' length basis	– apart from disposal of the repurchased Ping An A Shares in the open market on Shanghai Stock Exchange, Yuxing International or its designated entities may also dispose of its holding of Ping An A Shares during the mandate period through block trade(s) to identified buyer(s) or by way of placing through open market sales placing agent(s). The terms and conditions of such block trade(s) or disposal will be negotiated on an arms' length basis

	Disposal Mandate	New Disposal Mandate
5. *Mechanism for Setting the Selling Price*	– the selling price per Ping An A Share that is to be sold indirectly (either through placing agent, brokerage or otherwise) in the open market or through block trade(s) shall represent no more than a 10% discount to the closing price of Ping An A Shares on the Shanghai Stock Exchange on the last trading day immediately prior to the date of the relevant sale and purchase agreement, which was determined by the Board with reference to market practice for block trades and the requirement for "A" shares companies to suspend trading if their share prices fluctuate by more than 10% from the closing prices on the last trading day. The Company will also take into account the then prevailing share price performance of Ping An A Shares and market sentiment in determining the selling price of the Ping An A Shares to be disposed of indirectly in the open market, through block trades or by way of placing	– the selling price per Ping An A Share that is to be sold (either through placing agent, brokerage or otherwise) in the open market or through block trade(s) shall represent no more than a 10% discount to the closing price of the Ping An A Shares on the Shanghai Stock Exchange on the last trading day immediately prior to the date of the relevant sale and purchase agreement, which was determined by the Board with reference to market practice for block trades and the requirement for "A" shares companies to suspend trading if their share prices fluctuate by more than 10% from the closing prices on the last trading day. The Company will also take into account the then prevailing share price performance of Ping An A Shares and market sentiment in determining the selling price of the Ping An A Shares to be disposed of in the open market, through block trades or by way of placing

	Disposal Mandate	New Disposal Mandate
	– whether the disposal is made in the open market, through block trade(s) or by way of placing, the minimum selling price per Ping An A Share shall not be less than RMB42 which was determined by reference to the: (i) closing price of RMB45.81 per Ping An A Share as quoted on Shanghai Stock Exchange as at the latest practicable date of the circular dated 28th February 2013 of the Company; (ii) the average closing price of RMB41.98 per Ping An A Share as quoted on Shanghai Stock Exchange for the past 6 months before the latest practicable date of the circular dated 28th February 2013 of the Company; and (iii) the average closing price of RMB42.00 per Ping An A Share as quoted on Shanghai Stock Exchange for the past 12 months before the latest practicable date of the circular dated 28th February 2013 of the Company	– whether the disposal is made in the open market, through block trade(s) or by way of placing, the minimum selling price per Ping An A Share shall not be less than the Repurchase Price per Ping An A Share, subject to adjustments to reflect the theoretical price of each Ping An A Share on a result of the Ping An Capital Adjustments. In the example of bonus issue in the sub-section headed "The Proposed Repurchase(s) – Assets to be acquired" above, following the bonus issue of 4.1 million Ping An A Shares for the maximum number of 41 million Ping An A Shares to be repurchased, the theoretical ex-bonus price of each Ping An A Share and hence the minimum selling price under the New Disposal Mandate will become RMB33.9 (RMB37.29 * 41 million/ 45.1 million).

The Board considers that the New Disposal Mandate coupled with the Proposed Repurchase(s) during the Repurchase Period is an effective means for it to maximise both the number of Ping An A Shares that can be repurchased under the Proposed Repurchase(s) and potential gains resulted from the proposed "repurchase, disposal and repurchase" process when the market prices of Ping An A Shares are increasing during the Repurchase Period. Accordingly, the Directors believe that the terms of the New Disposal Mandate are in the best interest of the Company and its Shareholders as a whole.

Immediately after the Repurchase Period, the Group will hold no less than 13 million Ping An A Shares but no more than 41 million Ping An A Shares. The lower limit of 13 million Ping An A Shares is determined on the assumption that Yuxing International or its designated entity will, on an aggregate basis, (i) repurchase up to the minimum number of 27 million Ping An A Shares under the Proposed Repurchase(s) only; and (ii) dispose of the maximum number of 14 million repurchased Ping An A Shares pursuant to the terms of the New Disposal Mandate. On the other hand, the upper limit of 41 million Ping An A Shares is determined on the assumption that the New Disposal Mandate is not exercised in view of the then prevailing market conditions but the Company has adequate internal resources and external funding, the combination of which and the methods of raising the external funding have not yet been determined by the Board, to repurchase the maximum number of the 41 million Ping An A Shares under the Proposed Repurchase(s).

Based on the minimum selling price of RMB37.29 per Ping An A Share, i.e. the Repurchase Price per Ping An A Share, and the maximum number of 14 million repurchased Ping An A Shares to be disposed of pursuant to the New Disposal Mandate, the aggregate value of the consideration of the disposals permissible under the New Disposal Mandate is estimated at approximately RMB522.1 million.

The Company intends to use the proceeds from the New Disposal Mandate for the repurchase of additional Ping An A Shares under the Proposed Repurchase(s). The Company confirms that any proceeds arising from the New Disposal Mandate which cannot be used for making subsequent repurchases of Ping An A Shares, for instance, as a result of the market price of each Ping An A Share being lower than the Repurchase Price per Ping An A Shares, will be utilised for other suitable investment opportunities. As at the Latest Practicable Date, the Company has not identified any potential investment opportunities.

For illustrative purpose only, since all repurchases will be conducted at the Repurchase Price per Ping An A Share under the Proposed Repurchase(s) and the minimum selling price of the New Disposal Mandate is also set at the Repurchase Price per Ping An A Share, ignoring tax, related transaction costs and fair value change of Ping An A Shares, the Group will not record any gain or loss as a result of the full exercise of the New Disposal Mandate and on this basis, the New Disposal Mandate will not have any impact on the earnings, total assets and the total liabilities of the Group.

In the event that the New Disposal Mandate is not approved by the Shareholders at the SGM or not exercised due to the prevailing market conditions, on the basis of the Total Disposal Consideration taking into account additional cash requirements referred to above and in the absence of adequate internal resources and external funding for the repurchase of the maximum number of 41 million Ping An A Shares, the Company intends to repurchase only the minimum number of 27 million Ping An A Shares to fulfil its obligations under the Agreement.

It is expected that the purchasers of the repurchased Ping An A Shares to be disposed under the New Disposal Mandate and their respective ultimate beneficial owners will be Independent Third Parties. In the event that any purchaser of Ping An A Shares to be disposed of under the New Disposal Mandate is a connected person of the Company, the Company will comply with the announcement, reporting and independent shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

INFORMATION ON THE COMPANY

The Company is an investment holding company with subsidiaries that are principally engaged in the research and development, design, manufacturing, marketing and sale of information home appliances ("IHA") (mainly set-top boxes ("STB")) and complementary products for distribution and sales in both the PRC and global market.

INFORMATION ON GOLDEN YUXING

Before April 2013, Golden Yuxing was engaged in the Group's STB business other than the holding of its 36.66% equity interest in JI and its major sources of revenue were the distribution and sales of IHA, mainly STB, and related products. All dividends received from Golden Yuxing's indirect economic interests in the 51 million Ping An A Shares have been reflected in "share of results of a jointly controlled entity" in the books of Golden Yuxing since June 2012.

Set out below is the audited financial information of Golden Yuxing for the two years ended 31st December 2011 and 2012 and unaudited financial information of Golden Yuxing for the six months ended 30th June 2013:

	Year ended 31st December		Six months ended 30th June
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	393,180	512,982	98,706
Net profit/(loss) before taxation	36,938	(505,241)	11,233
Net profit/(loss) after taxation	36,938	(505,241)	11,233

The unaudited net asset value of Golden Yuxing as at 30th June 2013 amounted to approximately HK$1,483.0 million.

The financial information of JI has been included in the financial information of Golden Yuxing. In addition to the Group's share of the results of JI of approximately HK$23.7 million (equivalent to approximately RMB18.7 million) and a provision of approximately HK$518.4 million in respect of the Settlement Fee accounted for in Golden Yuxing's books, amongst other things, a profit of approximately HK$7.3 million attributable to Golden Yuxing's STB business was recorded in the year ended 31st December 2012. These had resulted in Golden Yuxing's net loss before and after tax of approximately HK$505.2 million for the year ended 31st December 2012.

The Group has restructured the business of Golden Yuxing since April 2013. As a result, the Group's STB business activities, including but not limited to business contracts and licences, previously carried out by Golden Yuxing have been transferred to another company in the Group's IHA unit and Golden Yuxing's remaining business activities since then has been the holding of 36.66% equity interest in JI only.

Set out below is the unaudited financial information of the STB business of Golden Yuxing for the two years ended 31st December 2011 and 2012 and for the six months ended 30th June 2013 as extracted from its respective segment reports:

	Year ended 31st December		Six months ended 30th June
	2011	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*
Revenue	393,180	512,982	98,706
Net profit before taxation	9,203	7,271	2,409
Net profit after taxation	9,203	7,271	2,409

The net assets value of the STB business of Golden Yuxing increased from approximately HK$27.5 million as at 31st December 2011 to approximately HK$34.8 million as at 31st December 2012 due to a gain of approximately HK$7.3 million recorded by Golden Yuxing on its STB business in the year ended 31st December 2012.

The net assets value of the STB business of Golden Yuxing decreased from approximately HK$34.8 million as at 31st December 2012 to approximately HK$8.0 million as at 30th June 2013 which was mainly due to a gain of approximately HK$2.4 million recorded by Golden Yuxing on its STB business for the six months ended 30 June 2013 and the transfer of the assets of its STB business amounting to HK$29.2 million to the other company in the Group's IHA unit since April 2013 referred to above.

It is expected that there will be no material change in the major business activities and segments of the Group after completion of the Proposed Disposal. In particular, the Group will continue to develop its core business in the IHA sector and through the Proposed Repurchase(s) to control no more than 41 million Ping An A Shares. As such, it is not expected that the Proposed Disposal followed by the Proposed Repurchase will have a material impact on the turnover of the Group. However, in conjunction with the payment of the Settlement Fee, assuming that other things remain unchanged, the Group's economic interest in the Ping An A Shares will be reduced from 51 million to no more than 41 million and thus its total assets and profitability (by virtue of the reduction in corresponding economic benefits in the Ping An A Shares) would be reduced proportionally.

INFORMATION ON PING AN

Ping An, a joint stock limited company incorporated in the PRC with limited liability, is one of the leading integrated financial services groups in the PRC. The Ping An A Shares are listed on Shanghai Stock Exchange (Stock code: 601318) and the "H" shares of Ping An are listed on the Stock Exchange (Stock code: 2318). Save for the Company's indirect holding of the 51 million Ping An A Shares, Ping An is an Independent Third Party.

Set out below is the audited financial information of Ping An for the two years ended 31st December 2011 and 2012 and unaudited financial information of Ping An for the six months ended 30th June 2013 as extracted from its published financial reports, which are available on the website of the Stock Exchange:

	Year ended 31st December		Six months ended 30th June
	2011	**2012**	**2013**
	RMB million	*RMB million*	*RMB million*
Revenue	272,244	339,193	215,857
Net profit before taxation	30,026	32,338	27,351
Net profit after taxation	22,582	26,750	21,771

The unaudited net asset value of Ping An as at 30th June 2013 amounted to approximately RMB227,103 million.

FINANCIAL IMPACT OF THE TRANSACTIONS ON THE GROUP

Upon completion of the Proposed Disposal, the Company will no longer have any equity in Golden Yuxing and JI. Golden Yuxing will cease to be a subsidiary of the Company and JI will cease to be a jointly controlled entity of the Company. The results of Golden Yuxing will cease to be consolidated into the accounts of the Group and JI will cease to be equity accounted for by the Company.

The proceeds from the Proposed Disposal after the deduction of, amongst other things, the Settlement Fee from the Total Disposal Consideration will be used to repurchase no more than 41 million Ping An A Shares and for general working capital purpose.

Earnings

Upon completion of the Proposed Disposal, the Company expects to record a gain on the Proposed Disposal before taxation and after taking into consideration, amongst other things, the fair value of options in connection with Proposed Repurchase(s) of approximately HK$2,502.6 million (assuming the Proposed Disposal had taken place on 31st December 2012 for the purpose of the pro forma consolidated balance sheet) and approximately HK$2,053.3 million (assuming the Proposed Disposal had taken place on 1st January 2012 for the purpose of the pro forma consolidated income statement). Details of calculations of the gain on the Proposed Disposal are set out in note 3 and note 7 to the unaudited pro forma financial information of the Remaining Group and the Enlarged Group of Appendix III to this circular.

Upon completion of the Proposed Repurchase(s), the Company will through Yuxing International or its designated entities directly hold no more than 41 million Ping An A Shares but no less than 13 million Ping An A Shares. The Group expects to receive direct economic interests from the investment in Ping An A Shares including but not limited to the dividends and the investment in Ping An A Shares will be classified as available-for-sale financial assets and financial assets of fair value through profit or loss.

Assets and Liabilities

Based on the unaudited pro forma financial information of the Remaining Group as set out in Appendix III to this circular, the effects on assets and liabilities of the Remaining Group are set out below:

	The Group (immediately before the completion of the Proposed Disposal and the commencement of the Repurchase Period)	The Remaining Group (immediately after the completion of the Proposed Disposal but before the commencement of the Repurchase Period)	Changes	The Enlarged Group (immediately after the completion of the Proposed Disposal and the Proposed Repurchase(s))	Changes
	Approximately HK$'000	*Approximately HK$'000*	*Approximately HK$'000*	*Approximately HK$'000*	*Approximately HK$'000*
	(a)	*(b)*	*(c)=(a)-(b)*	*(d)*	*(e)=(b)-(d)*
As at 31st December 2012					
Unaudited total assets	3,196,402	2,809,507	(386,895)	2,648,991	(160,516)
Unaudited total liabilities	(838,445)	(431,476)	406,969	(425,216)	6,260
Unaudited net assets	2,357,957	2,378,031	20,074	2,223,775	(154,256)

For the purpose of preparing the unaudited pro forma financial information of the Remaining Group and the Enlarged Group, the Company's obligation to repurchase no less than 27 million Ping An A Shares and the Company's right but not an obligation to further repurchase up to 14 million Ping An A Shares under the terms of the Proposed Repurchase(s) set out in the Agreement are treated, respectively, as a put option and a call option and the fair values of such options are estimated with reference to the amount valued by an independent professional valuer at 31st December 2012 (in respect of the unaudited pro forma consolidated balance sheet of the Remaining Group and the Enlarged Group) and 1st January 2012 (in respect of the unaudited pro forma consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Remaining Group and the Enlarged Group).

With regard to the financial impact of the Proposed Repurchase(s) on the unaudited pro forma consolidated balance sheet of the Remaining Group and the Enlarged Group, assuming the Company repurchases the minimum number of 27 million Ping An A Shares under the terms of the Proposed Repurchase(s), the fair value of call options of approximately HK$426,887,000 will be classified as financial assets at fair value through profit or loss under current assets and the fair value of put options of approximately HK$6,260,000 will be classified as financial liabilities at fair value through profit or loss under current liabilities. Such amounts are released after completion of repurchase the minimum number of 27 million Ping An A Shares. On the basis of the market price of RMB45.29 per Ping An A Share, the Group will recognise of 14 million Ping An A Shares, representing the maximum number of repurchased Ping An A Shares that can be disposed of pursuant to the terms of the New Disposal Mandate, as financial assets at fair value through profit or loss (held for trading purpose), resulting in net financial assets at fair value through profit or loss of approximately HK$355,034,000 under current assets. The minimum number of 13 million Ping An A Shares to be held by the Group immediately after the Repurchase Period and referred in the section headed "The Disposal Mandate and the New Disposal Mandate" above will be classified as available-for-sale financial assets under non-current assets. An estimated pro forma loss on options lapsed of approximately RMB154,256,000 would be charged to profit or loss. The difference between the fair values of call options and put options of approximately HK$420,627,000 would be credited to profit or loss for the calculation of the gain on disposal of Golden Yuxing. For further details and the relevant underlying assumptions, please refer to Appendix III to the Circular particularly notes 3 and 4 of Appendix III.

With regard to the financial impact of the Proposed Repurchase(s) on the unaudited pro forma consolidated income statement of the Remaining Group and the Enlarged Group, assuming the Company repurchases the minimum number of 27 million Ping An A Shares under the terms of the Proposed Repurchase(s), an estimated pro forma loss on options lapsed of approximately RMB31,114,000 would be recognised in the consolidated income statement and the difference between the fair value of call options and put options of approximately HK$63,805,000 would be charged to profit or loss for the calculation of the gain on disposal of Golden Yuxing. For further details and the relevant underlying assumptions, please refer to Appendix III to the Circular particularly notes 7 and 8 of Appendix III.

For further details on the unaudited pro forma financial information of the Remaining Group and the Enlarged Group and other adjustments relating to the gain on the Proposed Disposal and the fair value change of the financial instrument as a result of Proposed Repurchase(s), please refer to Appendix III of this circular.

REASONS FOR THE TRANSACTIONS

Over the years, the Group has been entitled to the economic benefits of 51 million Ping An A Shares through its 36.66% equity interests in JI. Pursuant to the Bilateral Agreement, each of the JI Shareholders is entitled to its respective interest from its indirect equity holding in Ping An A Shares (including but not limited to, gains on equity transfers, dividends, bonus shares, and other rights). However, according to the Bilateral Agreement, any material transactions including the Proposed Disposal must be approved by both Golden Yuxing and the Other JI Shareholder. The existing shareholding structure of JI which is accounted for as jointly controlled entity of the Group has therefore impeded the flexibility of the Group in effectively managing its economic interests in the Ping An A Shares including the divestment of the Ping An A Shares in a timely manner.

In considering the various means to pay for the Settlement Fee and the more appropriate shareholding structure in holding the Ping An A Shares going forward, after seeking professional tax advice from a reputable international accounting firm, the Company is of the view that the current arrangement represented by the Proposed Disposal followed by the Proposed Repurchase, as opposed to selling no less than 10 million Ping An A Shares directly to the Purchaser, is the more tax efficient way to dispose of such shares as the Group may otherwise be liable to pay, amongst other things, additional PRC corporate income tax, business taxes and surcharges and stamp duties.

The Board considers that the Proposed Disposal followed by the Proposed Repurchase(s) will allow the Group to streamline and optimise the equity structure of the Ping An A Shares currently held by the Company through Golden Yuxing and consequently secure direct control of not more than 41 million Ping An A Shares. This will in turn facilitate the implementation of any future investment decisions to, amongst other things, dispose of the Ping An A Shares.

As disclosed in the circular of the Company dated 28th February 2013 and the announcement of the Company dated 7th May 2013, Golden Yuxing is required to pay for the first, second and third tranche of RMB150 million each of the Settlement Fee within six months, twelve months and eighteen months respectively from the Release Date. The Company considers that if the Group disposes of its 36.66% equity interest in JI instead of its entire equity interest in Golden Yuxing to the Purchaser, the Other JI Shareholder is required to negotiate and execute another bilateral agreement with the new shareholder of JI. Taking into account the additional time and relevant local regulatory procedures and upon seeking professional legal and tax advice, the Company considered that the Proposed Disposal is the more appropriate means to restructure the Group's indirect equity holding in Ping An A Shares and at the same time release the Group from its obligations to pay for the Settlement Fee under the Final Settlement Agreement.

The Disposal Mandate previously obtained by the Company from its Shareholders on 18th March 2013 cannot be utilised to settle part of the Settlement Fee in light of the recent volatility of the stock market and accordingly the closing price of the Ping An A Shares, which ranged from the lowest of RMB32.08 to the highest of RMB41.68 during the period from the commencement of the Disposal Mandate on the Release Date to the date of the Agreement, consistently falling below the minimum selling price per Ping An A Share of no less than RMB42 under the terms of the Disposal Mandate. In the circumstances, the Proposed Disposal is expected to enable the Group to address the imminent issue of repaying the Settlement Fee in time in accordance with the aforementioned payment schedule.

The minimum price of RMB42 under the terms of the Disposal Mandate was determined on the basis of the then prevailing market conditions. The Disposal Price, on the other hand, was determined on arm's length negotiation between the Vendors and the Purchaser with reference to the latest share performance of Ping An Shares immediately prior to the date of the Agreement which has in turn been affected by changes in market conditions since the approval of the Disposal Mandate by the Shareholders, the immediate need of the Group to repay the Settlement Fee in a timely manner and other factors considered by the Group including the methods of disposal and their tax implications and regulatory approval requirements and procedures. In addition, in ensuring that the Group is able to maintain sufficient economic interest in Ping An after the Proposed Disposal by "locking in" a reasonable price for the subsequent Proposed Repurchase(s) of no less than 27 million Ping An A Shares and in order to reduce the risk of material price fluctuations of the Ping An A Shares during the Repurchase Period, the parties to the Agreement agreed that the Repurchase Price should be the same as the Disposal Price. The Directors are of the view that the Disposal Price per Ping An A Share is in the interest of the Company and its Shareholders.

In addition, as at 30th June 2013, the Group had unaudited cash and cash equivalents of approximately HK$138.9 million. As disclosed in the interim report for the six months ended 30th June 2013, the Group's turnover and gross profit declined significantly as compared to the prior period. As such, it is the Group's intention to explore more business opportunities particularly in the sector of Internet Protocol Television ("IPTV") STB products by offering its customers products with advanced technologies and more price competitiveness, thereby bringing better investment returns to its Shareholders in the future. In this connection, the Board is of the view that the proceeds to be generated from the Proposed Disposal will provide the Group with the necessary capital in furtherance of the business development of the Group.

Since the listing of the Ping An A Shares on the Shanghai Stock Exchange in 2007, the Group has been able to receive stable dividend income and benefit from capital appreciation from its indirect holding of the economic interests in the 51 million Ping An A Shares. The Board is fully confident in the growth potential of the Ping An A Shares and the substantial economic benefits that they are expected to continue to bring to the Group and its Shareholders. After completion of the Proposed Repurchases and assuming exercise of the New Disposal Mandate to dispose of the maximum number of 14 million repurchased Ping An A Shares during the Repurchase Period, the Group will hold no less than 13 million Ping An A Shares but no more than 41 million Ping An A Shares. The Board is therefore of the view that the Proposed Repurchase(s) is beneficial to the long term development of the Group and the terms of the Agreement are fair and reasonable and the entering into of the Agreement is in the interest of the Company and Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under the GEM Listing Rules in respect of the Proposed Disposal are more than 75%, the Proposed Disposal constitutes a very substantial disposal of the Company and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules. In addition, the Proposed Repurchase(s) will constitute a very substantial acquisition of the Company as the relevant percentage ratios are more than 100% and is/are therefore subject to reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As one or more of the applicable percentage ratios calculated under the GEM Listing Rules in respect of the New Disposal Mandate are more than 25% but less than 75%, the New Disposal Mandate constitutes a major transaction of the Company and is therefore subject to the reporting, announcement 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 enquires, no Shareholder has a material interest in the transactions contemplated under the Agreement and the New Disposal Mandate. No Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve the Transactions and the transactions contemplated under the Agreement and the New Disposal Mandate.

As there are certain conditions for the Agreement to become effective and the payment of the Total Disposal Consideration by the Purchaser, the issue of this circular should not be regarded in any way as implying that the Agreement will become effective. Therefore, the Shareholders and potential investors should exercise caution when dealing in the Shares.

SGM

A notice convening the SGM to be held on Friday, 15th November 2013 at 11:00 a.m. is set out in Appendix IV to this circular.

RECOMMENDATIONS

The Directors are of the view that the terms of the Agreement and the New Disposal Mandate are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the resolution to approve the Transactions and the transactions contemplated under the Agreement and the New Disposal Mandate at SGM.

ADDITIONAL INFORMATION

Your attention is also drawn to the information contained Appendix I to Appendix IV to this circular.

Yours faithfully,
On behalf of the Board
Yuxing InfoTech Investment Holdings Limited
CHEN Fu Rong
Deputy Chairman

* *For identification purposes only*

1. FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Company for each of the three years ended 31st December 2010, 2011 and 2012 are disclosed in the Company's annual reports for the three years ended 31st December 2010, 2011 and 2012 and the published unaudited consolidated financial statements of the Company for the six months ended 30th June 2013 are disclosed in the Company's interim report for the six months ended 30th June 2013, which can be accessed on both the website of the Stock Exchange (http://www.hkex.com.hk) and the website of the Company (http://www.yuxing.com.cn/).

2. INDEBTEDNESS STATEMENT

As at 31st August 2013, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this circular, the Group had outstanding borrowings of approximately HK$133.2 million, comprising mortgage loan of approximately HK$11.2 million, bank borrowings of approximately HK$120.4 million and margin overdraft of approximately HK$1.6 million. The Group's bank and other borrowings were secured by certain leasehold property, investment properties, prepaid lease payments, buildings and leasehold improvement, trade receivables from third parties, financial assets at fair value through profit or loss and bank deposits with an aggregate carrying value of approximately HK$194.7 million. In addition, the Group had made a provision for the Settlement Fee amounting to approximately HK$545.1 million in the accounts of the Group as at 31st August 2013, which is determined based on the present value of estimated future cash flows discounted using an interest rate of 5.92% per annum.

As at 31st August 2013, the 7.188% equity interest in JI (and hence the associated economic benefits of 10 million Ping An A Shares), a jointly controlled entity of the Group, was frozen by the freezing order imposed by the Higher People's Court of Guangdong Province, the PRC.

As at 31st August 2013, the Company had provided a guarantee for a maximum amount of RMB450 million (equivalent to approximately HK$565.5 million) to Golden Yuxing in favour of JLB Group in respect of the obligations of Golden Yuxing to pay the Settlement Fee under the Final Settlement Agreement.

As at 31st August 2013, save as disclosed above and apart from intra-group liabilities, normal trade and other payables, the Group did not have any outstanding debt securities issued and outstanding or agreed to be issued, 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. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, after taking into account the present financial resources available to the Group and also after completion of the Proposed Disposal, Proposed Repurchase(s) and New Disposal Mandate, the Group has sufficient working capital for its present requirements and for at least twelve months from the date of publication of this circular in the absence of unforeseen circumstances.

4. MATERIAL ADVERSE CHANGE

On 18th October 2013, the Company issued a profit warning announcement regarding an expected significant decrease in the unaudited consolidated results of the Group for the nine months ended 30th September 2013 which is mainly attributable to (i) a significant decrease in the overall turnover and gross profit of the Group; (ii) imputed interest expenses for the nine months ended 30th September 2013 in respect of the non-current portion of the Settlement Fee; and (iii) one-off products replacement cost and compensation for servicing such replacement totalling approximately HK$6.7 million to a customer. This significant decrease in overall turnover and gross profit of the Group was mainly attributable to the weakened order procurement sentiment of customers and more intense competition for the nine months ended 30th September 2013.

As disclosed in the profit warning announcement dated 15th July 2013 of the Company and the interim report for the six months ended 30th June 2013 of the Company, a loss attributable to owners of the parent of approximately HK$25.8 million was recorded for the period, which was mainly due to (i) a significant decrease in the overall turnover and gross profit of the Group; (ii) imputed interest expenses for the six months ended 30th June 2013 in respect of the non-current portion of the Settlement Fee; (iii) one-off products replacement cost and compensation for servicing such replacement totalling approximately HK$6.7 million to a customer; and (iv) the net impairment on inventories of approximately HK$7.1 million.

Save as disclosed above, as at the Latest Practicable Date, the Directors confirm that there was no material adverse change in the financial or trading position of the Group since 31st December 2012, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The existing principal activity of the Company is investment holding and the Group is principally engaged in research and development, design, manufacturing, marketing and sale of information home appliances ("IHA") (mainly set-top boxes ("STB")) and complementary products through a network of partnerships and distributors in the PRC, Hong Kong and overseas. Currently, the Board believes that the Internet Protocol Television ("IPTV") market has entered into a period of steady growth around the world, in particular in the PRC market which has demonstrated rapid growth and huge potential. Being the Group's principal business, the IPTV STB business has been undergoing a strong performance in the last few years. Although the Group's IHA business has significantly declined in the first half of 2013 and the Company is expected to record a significant decrease in the unaudited consolidated results of the Group for the nine months ended 30th September 2013, further details of which are disclosed above and in the Company's profit warning announcement dated 18th October 2013, the Group will continue to invest resources in the IPTV business to offer its customers products with advanced technologies and more price competitiveness, thereby bringing better investment returns to its shareholders in the future.

Following the completion of the Agreement, the Group is expected to continue to retain economic interest in no more than 41 million but no less than 27 million Ping An A Shares through the Proposed Repurchase(s), and this will allow more flexibility for the Group to make any future investment decisions to, amongst other things, dispose of the repurchased Ping An A Shares. The Group regards the Ping An A Shares as the most significant assets of the Group which will enhance Shareholders' value, broaden the asset base of the Group and provide an excellent return to the Group in the near future.

The Directors confirm that there will be no major change to the Group's principal business activities as a result of the Proposed Disposal and the Proposed Repurchase(s) as the Group's main business, being the Group's STB business, has been transferred to another company in the Group's IHA unit. Further, the Directors believe that the Proposed Disposal and the Proposed Repurchase(s) will have no adverse impact on the Group's operations. After the completion of this Agreement, the Group will no longer be liable for the payment of the Settlement Fee to the JLB Group or its designated entities and possible additional funds may be made available to the Group for its operation and future investment needs. Meanwhile, the Directors believe that the Proposed Repurchase(s) will allow the Group to generate long term strategic value for the Group through its direct economic benefits of the Ping An A Shares.

6. MANAGEMENT DISCUSSION AND ANALYSIS ON THE REMAINING GROUP

Set out below is the management discussion and analysis on the Remaining Group for the three years ended 31st December 2010, 2011 and 2012 and the six months ended 30th June 2013:

Business review

Information Home Appliances

The Remaining Group's core business is the IHA sector, mainly in IPTV STB. The Remaining Group's IHA unit is principally engaged in research and development, manufacture, sales and distribution of IHA and complementary products to consumer markets.

For the year ended 31st December 2010, the total turnover of the Remaining Group's IHA business increased by 98.7% to approximately HK$331.5 million as compared to year 2009. This increase in turnover was mainly attributable to the further expansion of IPTV business in the PRC market in 2010.

For the year ended 31st December 2011, the total turnover of the Remaining Group's IHA business increased to approximately HK$609.3 million from approximately HK$331.5 million for the year ended 31st December 2010, representing a significant increase of 83.8%. This increase in turnover was mainly attributable to the rapid growth of the global IPTV market as well as rebound of the PRC market, which together with the right positioning of the Group's products, had successfully captured the demand of users.

For the year ended 31st December 2012, the total turnover of the Remaining Group's IHA business increased to approximately HK$790.1 million from approximately HK$609.3 million for the year ended 31st December 2011, representing a significant increase of 29.7%. This increase in turnover was mainly attributable to the continuous growth of the global IPTV market and the right positioning of the Group's products.

For the six months ended 30th June 2013, the total turnover of the Remaining Group's IHA business decreased by 39.5% to approximately HK$269.2 million as compared to the corresponding period in 2012, which was mainly due to the weakened order procurement sentiment of a PRC customer and more intense market competition as well as seasonal effects in the first half of 2013, which had led to a significant decrease in the selling price of STB.

Although the Remaining Group's IHA business has significantly declined in the first half of 2013, the Remaining Group has promptly adjusted its business strategies to address this decline in the IPTV STB business. As the Remaining Group is still optimistic about the IPTV business, the Remaining Group will continue to invest resources in its research and development to keep on launching innovative products in order to meet the demands of different customers, so as to provide enjoyable experiences to its end users not only in the IPTV sector, but also in the music and video sector. It will also continue to increase its investment in this business to offer its customers products with advanced technologies and more price competitiveness, thereby bringing better investment returns to its shareholders in the future.

Investing

The Remaining Group's investing business comprises investing in available-for-sale financial assets and trading of securities.

For the year ended 31st December 2010, the Remaining Group's investing business recorded a profit of approximately HK$14,000, a loss of approximately HK$9.3 million for the year ended 31st December 2011, and a profit of approximately HK$0.6 million for the year ended 31st December 2012. For the six months ended 30th June 2013, the Remaining Group's investing business recorded a loss of approximately HK$7.0 million.

Trading

The Remaining Group's trading business is engaged in selling electronic components, plastic and miscellaneous products. Due to no new breakthrough in this business in recent years, the Remaining Group's trading business recorded a loss of approximately HK$1.7 million, approximately HK$0.3 million, and approximately HK$0.1 million for the three years ended 31st December 2010, 2011 and 2012 respectively. For the six months ended 30th June 2013, the Remaining Group's trading business recorded a loss of approximately HK$0.3 million.

Other business

The Remaining Group's other business mainly comprises the leasing out of properties. Due to the increase in rental income from leasing out of properties of the Remaining Group in recent years, the Remaining Group's other business recorded a profit of approximately HK$2.0 million, approximately HK$2.9 million and approximately HK$3.3 million for the three years ended 31st December 2010, 2011 and 2012 respectively. Due to the decrease in the operating cost in the Remaining Group's other business, the result of this business increased by 58.8% to approximately HK$1.8 million for the six months ended 30th June 2013, as compared with the same period in 2012.

Liquidity and financial resources

The total amount of cash and bank balances and pledged bank deposits of the Remaining Group were approximately HK$63.5 million as at 31st December 2010, approximately HK$67.0 million as at 31st December 2011, approximately HK$84.1 million as at 31st December 2012 and approximately HK$99.7 million as at 30th June 2013. The cash and bank balances and pledged bank deposits of the Remaining Group were denominated in Hong Kong dollars, RMB and United States dollars.

The bank borrowings of the Remaining Group were approximately HK$61.2 million as at 31st December 2010, approximately HK$69.9 million as at 31st December 2011, approximately HK$53.1 million as at 31st December 2012 and approximately HK$113.6 million as at 30th June 2013. The bank borrowings were denominated in Hong Kong dollars and RMB and were secured by the investment properties, prepaid lease payments, buildings and leasehold improvements, a leasehold property, and financial assets at fair value through profit or loss and bank deposits of the Remaining Group. The bank borrowings of the Remaining Group carried interest at the prevailing market interest rate, with effective interest rate for the bank borrowings ranging from 2.45%-5.31%, 2.45%-7.26%, 2.45%-7.54% and 2.45%-5.88% for the three years ended 31st December 2012 and for the six months ended 30th June 2013 respectively.

As at 31st December 2010, 2011, 2012 and 30th June 2013, the gearing ratio of the Remaining Group, expressed as a percentage of total liabilities divided by total equity was 12.3%, 15.5%, 18.1% and 19.7% respectively (as if the Proposed Disposal had taken place at the relevant times and assuming no change in fair value of options and PRC enterprise income tax during the three years ended 31st December 2010, 2011 and 2012 and for the six months ended 30th June 2013).

Capital structure

The issued ordinary share capital of the Company as at 31st December 2010, 2011, 2012 and 30th June 2013 was HK$43,355,000, HK$43,378,000, HK$43,688,000 and HK$44,803,000 respectively divided into 1,734,200,000 Shares, 1,735,120,000 Shares, 1,747,506,000 Shares and 1,792,117,000 Shares of HK$0.025 each.

Foreign currency exposure

Most of the trading transactions of the Remaining Group were denominated in United States dollars and in RMB. The assets of the Remaining Group were mainly denominated in RMB and the remaining portions were denominated in Hong Kong dollars. The Remaining Group currently does not have significant exposure under foreign exchange contracts, interest or currency swaps or other financial derivatives. However, the management will monitor foreign exchange exposure closely and consider the use of hedging instruments when the need arises.

Charge on assets

As at 31st December 2010, the Remaining Group had pledged the following assets to secure the banking facilities:

(a) Investment properties of the Remaining Group with carrying value of HK$33,120,000;

(b) Prepaid lease payments, buildings and leasehold improvements of the Remaining Group with carrying values of approximately HK$13,604,000, approximately HK$69,155,000 and approximately HK$336,000 respectively;

(c) A leasehold property of the Remaining Group with carrying value of approximately HK$2,831,000; and

(d) Bank deposit of the Remaining Group with carrying value of approximately HK$8,680,000.

As at 31st December 2011, the Remaining Group had pledged the following assets to secure the banking facilities:

(a) Investment properties of the Remaining Group with carrying value of HK$36,300,000;

(b) Prepaid lease payments, buildings and leasehold improvements of the Remaining Group with carrying values of approximately HK$13,897,000, approximately HK$69,746,000 and approximately HK$330,000 respectively;

(c) A leasehold property of the Remaining Group with carrying value of approximately HK$2,732,000;

(d) Bank deposit of the Remaining Group with carrying value of approximately HK$13,607,000; and

(e) Financial assets at fair value through profit or loss of the Remaining Group with carrying value of approximately HK$4,731,000.

As at 31st December 2012, the Remaining Group had pledged the following assets to secure the banking facilities:

(a) Investment properties of the Remaining Group with carrying value of HK$46,480,000;

(b) Prepaid lease payments, buildings and leasehold improvements of the Remaining Group with carrying values of approximately HK$13,513,000, approximately HK$66,892,000 and approximately HK$306,000 respectively;

(c) A leasehold property of the Remaining Group with carrying value of approximately HK$2,633,000;

(d) Bank deposit of the Remaining Group with carrying value of approximately HK$24,318,000; and

(e) Financial assets at fair value through profit or loss of the Remaining Group with carrying value of approximately HK$3,401,000.

As at 30th June 2013, the Remaining Group had pledged the following assets to secure its banking and other loan facilities:

(a) Investment properties of the Remaining Group with carrying value of HK$49,390,000;

(b) Prepaid lease payments, buildings and leasehold improvements of the Remaining Group with carrying values of approximately HK$13,561,000, approximately HK$66,649,000 and approximately HK$300,000 respectively;

(c) A leasehold property of the Remaining Group with carrying value of approximately HK$2,584,000;

(d) Bank deposits of the Remaining Group with carrying value of approximately HK$5,498,000; and

(e) Financial assets at fair value through profit or loss of the Remaining Group with carrying value of approximately HK$2,558,000.

Capital and other commitments

(a) The Remaining Group as lessee

As at 31st December 2010, 2011, 2012 and 30th June 2013, the Remaining Group had commitments for the future minimum lease payments under non-cancellable operating leases which fall due as follows:

	As at 31st December 2010	As at 31st December 2011	As at 31st December 2012	As at 30th June 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	2,116	2,054	2,899	2,967
In the second to fifth year inclusive	263	1,437	604	–
	2,379	3,491	3,503	2,967

Leases are negotiated for a term ranging from one to three years with fixed rentals.

(b) The Remaining Group as lessor

The properties are expected to generate rental yields of 3.6%, 3.8%, 3.0% and 2.8% per annum for the three years ended 31st December 2012 and the six months ended 30th June 2013 respectively on an ongoing basis.

As at 31st December 2010, 2011, 2012 and 30th June 2013, the Remaining Group had contracted with tenants for the following future minimum lease payments:

	As at 31st December 2010	As at 31st December 2011	As at 31st December 2012	As at 30th June 2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Within one year	1,915	5,574	7,098	6,635
In the second to fifth year inclusive	1,358	10,429	7,925	5,212
Later than fifth year	46	97	76	61
	3,319	16,100	15,099	11,908

Material investments and acquisitions

During the year 2010, 2011, 2012 and the six months ended 30th June 2013, the Remaining Group had no significant investment and no material acquisition or disposal.

Employee and remuneration policies

As at 31st December 2010, 2011, 2012 and 30th June 2013, the Remaining Group employed over 560, 830, 880 and 680 full time employees respectively in Hong Kong and the PRC. The Remaining Group's emolument policies are formulated on the basis of market trends, future plans and the performance of individuals, which are reviewed annually. In addition to the basic salaries, staff benefits also include medical scheme, various insurance schemes and share option schemes.

I. UNAUDITED FINANCIAL INFORMATION

Set out below are unaudited income statements, unaudited statements of comprehensive income, unaudited statements of changes in equity and unaudited cash flow statements of Golden Yuxing for the three years ended 31st December 2010, 2011 and 2012 and the six months ended 30th June 2013 (the "Relevant Periods"), the unaudited balance sheets of Golden Yuxing as at 31st December 2010, 2011 and 2012 and 30th June 2013 and certain explanatory notes (the "Unaudited Financial Information"), which have been reviewed by the independent reporting accountants, Mazars CPA Limited, in accordance with the Hong Kong Standard on Review Engagements 2400 "Engagements to Review Financial Statements" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable the reporting accountants to obtain assurance that the reporting accountants would become aware of all significant matters that might be identified in an audit. Accordingly, the reporting accountants do not express an audit opinion. The reporting accountants have issued an unmodified review report.

Unaudited Income Statements

For the three years ended 31st December 2010, 2011 and 2012 and the six months ended 30th June 2013

	For the year ended 31st December			For the six months ended 30th June	
	2010	**2011**	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Turnover	192,288	393,180	512,982	269,256	98,706
Cost of sales	(184,571)	(383,640)	(501,834)	(264,234)	(94,962)
Gross profit	7,717	9,540	11,148	5,022	3,744
Other revenue and net income	26,951	33,819	148	14	10,183
General and administrative expenses	(11,929)	(6,170)	(17,969)	(6,571)	(3,516)
Other operating expenses	(30)	(111)	(145)	(84)	(705)
Settlement fee in respect of court settlement	–	–	(518,436)	–	–
Profit/(Loss) from operations	22,709	37,078	(525,254)	(1,619)	9,706
Finance costs	–	(139)	(3,685)	(1,648)	(11,672)
Share of results of a jointly controlled entity	–	–	23,698	–	13,199
Profit/(Loss) before taxation	22,709	36,939	(505,241)	(3,267)	11,233
Taxation	–	–	–	–	–
Profit/(Loss) for the year/period	22,709	36,939	(505,241)	(3,267)	11,233

Unaudited Statements of Comprehensive Income

For the three years ended 31st December 2010, 2011 and 2012 and the six months ended 30th June 2013

	For the year ended 31st December			For the six months ended 30th June	
	2010	**2011**	**2012**	**2012**	**2013**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Profit/(Loss) for the year/period	22,709	36,939	(505,241)	(3,267)	11,233
Other comprehensive income/(loss)					
Items that may be reclassified subsequently to profit or loss:					
Change in fair value of available-for-sale financial assets	573,096	(1,259,750)	690,061	690,061	–
Share of other comprehensive (loss)/income arising from interest in a jointly controlled entity (net of tax)	–	–	(110,727)	34,408	(500,163)
Exchange differences arising on translation to presentation currency	79,916	147,523	1,388	(10,381)	35,132
Other comprehensive income/(loss) for the year/period	653,012	(1,112,227)	580,722	714,088	(465,031)
Total comprehensive income/(loss) for the year/period	675,721	(1,075,288)	75,481	710,821	(453,798)

Unaudited Balance Sheets

As at 31st December 2010, 2011 and 2012 and 30th June 2013

	As at 31st December 2010 *HK$'000*	As at 31st December 2011 *HK$'000*	As at 31st December 2012 *HK$'000*	As at 30th June 2013 *HK$'000*
NON-CURRENT ASSETS				
Property, plant and equipment	786	624	498	878
Available-for-sale financial assets	3,062,550	1,954,665	552	563
Interest in a jointly controlled entity	–	–	2,535,249	2,074,719
	3,063,336	1,955,289	2,536,299	2,076,160
CURRENT ASSETS				
Inventories	182	52	–	–
Trade and other receivables	69,811	150,170	120,598	1,299
Dividend receivable	35,962	72,345	97,484	–
Amount due from ultimate holding company	4,872	4,872	4,872	4,872
Amount due from fellow subsidiaries	–	8,537	–	22,300
Cash and bank balances	1,352	17,091	2,910	39,193
	112,179	253,067	225,864	67,664
CURRENT LIABILITIES				
Trade and other payables	8,864	8,317	18,386	15,453
Bank loans	–	36,067	47,076	–
Settlement fee payable	–	–	184,980	367,319
Amount due to immediate holding company	24,708	24,708	24,708	24,708
Amount due to fellow subsidiaries	204,123	276,670	213,628	78,595
Amount due to subsidiaries	1,246	1,308	1,307	1,331
	238,941	347,070	490,085	487,406
NET CURRENT LIABILITIES	(126,762)	(94,003)	(264,221)	(419,742)
TOTAL ASSETS LESS CURRENT LIABILITIES	2,936,574	1,861,286	2,272,078	1,656,418
NON-CURRENT LIABILITIES				
Settlement fee payable	–	–	335,311	173,449
	–	–	335,311	173,449
NET ASSETS	2,936,574	1,861,286	1,936,767	1,482,969
CAPITAL AND RESERVES				
Share capital	34,961	34,961	34,961	34,961
Reserves	2,901,613	1,826,325	1,901,806	1,448,008
TOTAL EQUITY	2,936,574	1,861,286	1,936,767	1,482,969

Unaudited Statements of Changes in Equity

For the three years ended 31st December 2010, 2011 and 2012 and the six months ended 30th June 2013

	Share capital *HK$'000*	Statutory reserves *HK$'000*	Investment revaluation reserves *HK$'000*	Translation reserves *HK$'000*	Retained profits/ (Accumulated losses) *HK$'000*	Total equity *HK$'000*
As at 1st January 2010	34,961	11,767	1,790,142	387,103	36,880	2,260,853
Profit for the year	–	–	–	–	22,709	22,709
Other comprehensive income:						
Change in fair value of available-for-sale financial assets	–	–	573,096	–	–	573,096
Exchange differences arising on translation to presentation currency	–	–	–	79,916	–	79,916
Total other comprehensive income	–	–	573,096	79,916	–	653,012
Total comprehensive income for the year	–	–	573,096	79,916	22,709	675,721
As at 31st December 2010 and as at 1st January 2011	34,961	11,767	2,363,238	467,019	59,589	2,936,574
Profit for the year	–	–	–	–	36,939	36,939
Other comprehensive loss:						
Change in fair value of available-for-sale financial assets	–	–	(1,259,750)	–	–	(1,259,750)
Exchange differences arising on translation to presentation currency	–	–	–	147,523	–	147,523
Total other comprehensive loss	–	–	(1,259,750)	147,523	–	(1,112,227)
Total comprehensive loss for the year	–	–	(1,259,750)	147,523	36,939	(1,075,288)
As at 31st December 2011 and as at 1st January 2012	34,961	11,767	1,103,488	614,542	96,528	1,861,286
Loss for the year	–	–	–	–	(505,241)	(505,241)
Other comprehensive income:						
Change in fair value of available-for-sale financial assets	–	–	690,061	–	–	690,061
Share of other comprehensive loss arising from interest in a jointly controlled entity (net of tax)	–	–	(110,727)	–	–	(110,727)
Exchange differences arising on translation to presentation currency	–	–	–	1,388	–	1,388
Total other comprehensive income	–	–	579,334	1,388	–	580,722
Total comprehensive income for the year	–	–	579,334	1,388	(505,241)	75,481

	Share capital HK$'000	Statutory reserves HK$'000	Investment revaluation reserves HK$'000	Translation reserves HK$'000	Retained profits/ (Accumulated losses) HK$'000	Total equity HK$'000
As at 31st December 2012 and as at 1st January 2013	34,961	11,767	1,682,822	615,930	(408,713)	1,936,767
Profit for the period	–	–	–	–	11,233	11,233
Other comprehensive loss:						
Share of other comprehensive loss arising from interest in a jointly controlled entity (net of tax)	–	–	(500,163)	–	–	(500,163)
Exchange differences arising on translation to presentation currency	–	–	–	35,132	–	35,132
Total other comprehensive loss	–	–	(500,163)	35,132	–	(465,031)
Total comprehensive loss for the period	–	–	(500,163)	35,132	11,233	(453,798)
As at 30th June 2013	34,961	11,767	1,182,659	651,062	(397,480)	1,482,969
As at 1st January 2012	34,961	11,767	1,103,488	614,542	96,528	1,861,286
Loss for the period	–	–	–	–	(3,267)	(3,267)
Other comprehensive income:						
Change in fair value of available-for-sale financial assets	–	–	690,061	–	–	690,061
Share of other comprehensive income arising from interest in a jointly controlled entity (net of tax)	–	–	34,408	–	–	34,408
Exchange differences arising on translation to presentation currency	–	–	–	(10,381)	–	(10,381)
Total other comprehensive income	–	–	724,469	(10,381)	–	714,088
Total comprehensive income for the period	–	–	724,469	(10,381)	(3,267)	710,821
As at 30th June 2012	34,961	11,767	1,827,957	604,161	93,261	2,572,107

Unaudited Cash Flow Statements

For the three years ended 31st December 2010, 2011 and 2012 and the six months ended 30th June 2013

	For the year ended 31st December			For the six months ended 30th June	
	2010	2011	2012	2012	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
OPERATING ACTIVITIES					
Profit/(Loss) before taxation	22,709	36,939	(505,241)	(3,267)	11,233
Adjustments for:					
Exchange difference	(75)	132	(42)	5	(35)
Bad debts	–	–	18	–	(86)
Impairment on other receivables	–	–	822	–	–
Impairment on inventories	–	–	(2,736)	–	–
Reversal of write-down of inventories	(942)	–	–	(2)	(798)
Interest income	(4)	(3)	(25)	(15)	(3,051)
Interest paid	–	139	3,685	1,648	642
Dividend income	(26,340)	(33,807)	–	–	–
Depreciation of property, plant and equipment	168	98	64	37	27
Loss on disposal of property, plant and equipment	–	73	70	70	25
Gain on disposal of financial assets at fair value through profit or loss	–	–	–	–	(1,194)
Settlement fee in respect of court settlement	–	–	518,436	–	–
Amortisation of interest for settlement fee	–	–	–	–	11,030
Share of results of a jointly controlled entity	–	–	(23,698)	–	(13,199)
OPERATING (LOSS)/ PROFIT BEFORE CHANGES IN WORKING CAPITAL	(4,484)	3,571	(8,647)	(1,524)	4,594
Decrease in inventories	813	139	2,798	8	806
(Increase)/Decrease in trade and other receivables	(42,844)	(85,434)	37,227	42,536	99,251
Increase/(Decrease) in trade and other payables	46,942	61,439	(52,905)	(53,444)	(142,131)
NET CASH GENERATED FROM/(USED IN) OPERATING ACTIVITIES	427	(20,285)	(21,527)	(12,424)	(37,480)

	For the year ended 31st December			For the six months ended 30th June	
	2010	2011	2012	2012	2013
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
INVESTING ACTIVITIES					
Purchase of financial assets at fair value through profit or loss	–	–	–	–	(26,603)
Purchase of property, plant and equipment	(17)	(12)	(8)	(8)	(442)
Proceeds from disposal of financial assets at fair value through profit or loss	–	–	–	–	27,809
Interest received	4	3	25	15	3,051
Dividend received	–	–	–	–	118,440
Proceeds from disposal of property, plant and equipment	–	38	–	–	19
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	(13)	29	17	7	122,274
FINANCING ACTIVITIES					
New bank loans raised	–	36,067	188,628	73,029	25,818
Repayment of bank loans	–	–	(177,610)	(58,412)	(73,739)
Interest paid	–	(139)	(3,685)	(1,648)	(642)
NET CASH GENERATED FROM/(USED IN) FINANCING ACTIVITIES	–	35,928	7,333	12,969	(48,563)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	414	15,672	(14,177)	552	36,231
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR/PERIOD	906	1,352	17,091	17,091	2,910
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	32	67	(4)	(94)	52
CASH AND CASH EQUIVALENTS AT END OF YEAR/PERIOD	1,352	17,091	2,910	17,549	39,193
Analysis of the balances of cash and cash equivalents:					
Cash and bank balances	1,352	17,091	2,910	17,549	39,193

II. NOTES TO THE UNAUDITED FINANCIAL INFORMATION

1. GENERAL

Golden Yuxing, a sino-foreign co-operative joint venture, is owned as to 99% by Yuxing International and 1% by ZSSB, both of which are wholly owned subsidiaries of the Company. Golden Yuxing is indirectly interested in 51 million Ping An A Shares through its 36.66% equity interest in JI.

Before April 2013, Golden Yuxing was engaged in the Group's STB business other than the holding of its 36.66% equity interest in JI and its major sources of revenue were the research and development, design, marketing, distribution and sales of IHA in particular STB. The Company has restructured the business of Golden Yuxing since April 2013. As a result, the Group's STB business activities, including but not limited to business contracts and licences, previously carried out by Golden Yuxing have been transferred to another company in the Group's IHA unit and Golden Yuxing's remaining business activities since then has been the holding of its 36.66% equity interest in JI only.

On 11th October 2013, Yuxing International, ZSSB, Golden Yuxing, HHXL Investment and JI entered into the conditional Agreement in respect of the Proposed Disposal.

2. BASIS OF PREPARATION OF THE UNAUDITED FINANCIAL INFORMATION

The Unaudited Financial Information has been prepared in accordance with Rule 19.68(2)(a)(i) of GEM Listing Rules and solely for the purposes of inclusion in this circular.

The Unaudited Financial Information for the Relevant Periods has been prepared using the same accounting policies adopted by the Company in the preparation of the consolidated financial statements of the Company and its subsidiaries for the Relevant Periods, which conform with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA.

The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in HKAS 1 (Revised) "Presentation of Financial Statements" issued by the HKICPA or a set of condensed financial statements as defined in HKAS 34 "Interim Financial Reporting" issued by the HKICPA.

III. REPORT ON REVIEW OF UNAUDITED FINANCIAL INFORMATION

MAZARS

MAZARS CPA LIMITED
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31st October 2013

The Board of Directors
Yuxing InfoTech Investment Holdings Limited
Units 2107-8, 21/F, Exchange Tower
33 Wang Chiu Road
Kowloon
Hong Kong

Dear Sirs,

Introduction

We have reviewed the unaudited financial information of Beijing Golden Yuxing Electronics and Technology Company Limited ("Golden Yuxing") set out on pages 50 to 57, which comprises the unaudited balance sheets as at 31st December 2010, 2011 and 2012 and 30th June 2013, and the unaudited income statements, unaudited statements of comprehensive income, unaudited statements of changes in equity and unaudited cash flow statements for each of the years/period then ended (the "Relevant Periods"), the comparative financial information for the six months ended 30th June 2012 and explanatory notes (the "Unaudited Financial Information"). The Unaudited Financial Information has been prepared solely for the purpose of inclusion in the circular to be issued by Yuxing InfoTech Investment Holdings Limited (the "Company") in connection with the proposed disposal of the entire equity interests in Golden Yuxing in accordance with Rule 19.68(2)(a)(i)(A) of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

The directors of the Company (the "Directors") are responsible for the preparation and presentation of the Unaudited Financial Information in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information and Rule 19.68(2)(a)(i) of the GEM Listing Rules. The Directors are also responsible for such internal control as management determines is necessary to enable the preparation of Unaudited Financial Information that is free from material misstatement, whether due to fraud or error. The Unaudited Financial Information does not contain sufficient information to constitute a complete set of financial statements as defined in Hong Kong Accounting Standard ("HKAS") (Revised) 1 "Presentation of Financial Statements" or an interim financial report as defined in HKAS 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public

Accountants (the "HKICPA"). Our responsibility is to express a conclusion on this Unaudited Financial Information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2400 "Engagements to Review Financial Statements" and with reference to Practice Note 750 "Review of Financial Information under the Hong Kong Listing Rules for a Very Substantial Disposal" issued by the HKICPA. These require that we plan and perform the review to obtain moderate assurance as to whether the Unaudited Financial Information is free of material misstatement. A review is limited primarily to inquiries of entity personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Unaudited Financial Information of Golden Yuxing for the Relevant Periods is not prepared, in all material respects, in accordance with the basis of preparation set out in note 2 to the Unaudited Financial Information.

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 31st October 2013

Eunice Y M Kwok
Practising Certificate number: P04604

I. UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE REMAINING GROUP AND THE ENLARGED GROUP

Introduction

The following is an illustrative and unaudited pro forma consolidated balance sheet, consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement (together the "Unaudited Pro Forma Financial Information") of the Group excluding the Golden Yuxing (the "Remaining Group") and including repurchase the minimum amount of 27 million Ping An A Shares (the "Enlarged Group"), which has been prepared by the Directors to illustrate the effect of the Proposed Disposal and Proposed Repurchase(s) as if the Proposed Disposal and Proposed Repurchase(s) had been taken place on 31st December 2012 for the unaudited pro forma consolidated balance sheet and on 1st January 2012 for the unaudited pro forma consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, and because of its nature, it may not give a true picture of the financial position, financial result and cash flow of the Remaining Group and the Enlarged Group had the Proposed Disposal and Proposed Repurchase(s) been completed as at 1st January 2012 or 31st December 2012 or at any future date.

The unaudited pro forma consolidated balance sheet of the Remaining Group and the Enlarged Group is prepared based on the audited consolidated balance sheet as at 31st December 2012 extracted from the published annual report of the Group for the year ended 31st December 2012, adjusted as described below, as if the Proposed Disposal and Proposed Repurchase(s) had been completed on 31st December 2012. The unaudited pro forma consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement of the Remaining Group and the Enlarged Group are prepared based on the audited consolidated income statement, consolidated statement of comprehensive income and consolidated cash flow statement for the year ended 31st December 2012 extracted from the 2012 annual report of the Group, adjusted as described below, as if the Proposed Disposal and Proposed Repurchase(s) had taken place on 1st January 2012.

Unaudited Pro Forma Consolidated Balance Sheet of the Remaining Group and the Enlarged Group

As at 31st December 2012

	The Group	Pro forma adjustments for the Proposed Disposal		The Remaining Group	Pro forma adjustments for the Proposed Repurchase(s)	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*		*(Note 4)*	
NON-CURRNT ASSETS						
Investment properties	46,480	–	–	46,480	–	46,480
Property, plant and equipment	95,489	(498)	–	94,991	–	94,991
Prepaid lease payments	13,131	–	–	13,131	–	13,131
Available-for-sale financial assets	–	–	–	–	726,070	726,070
Interest in a jointly controlled entity	2,535,249	(2,535,249)	–	–	–	–
	2,690,349	(2,535,747)	–	154,602	726,070	880,672
CURRENT ASSETS						
Inventories	83,012	–	–	83,012	–	83,012
Trade and other receivables	182,790	(120,598)	–	62,192	–	62,192
Prepaid lease payments	382	–	–	382	–	382
Dividend receivable	97,484	(97,484)	–	–	–	–
Financial assets at fair value through profit or loss	55,361	–	426,887	482,248	355,034	837,282
Amount due from Golden Yuxing	–	234,771	–	234,771	–	234,771
Pledged bank deposits	24,318	–	–	24,318	–	24,318
Cash and bank balances	62,706	(2,910)	1,708,186	1,767,982	(1,241,620)	526,362
	506,053	13,779	2,135,073	2,654,905	(886,586)	1,768,319
CURRENT LIABILITIES						
Trade and other payables	215,717	(18,386)	–	197,331	–	197,331
Bank loans	100,185	(47,076)	–	53,109	–	53,109
Settlement fee payable	184,980	(184,980)	–	–	–	–
Financial liabilities at fair value through profit or loss	–	–	6,260	6,260	(6,260)	–
Tax payable	2,154	–	172,524	174,678	–	174,678
	503,036	(250,442)	178,784	431,378	(6,260)	425,118
NET CURRENT ASSETS	3,017	264,221	1,956,289	2,223,527	(880,326)	1,343,201

	The Group	Pro forma adjustments for the Proposed Disposal		The Remaining Group	Pro forma adjustments for the Proposed Repurchase(s)	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 1)	*(Note 2)*	*(Note 3)*		*(Note 4)*	
TOTAL ASSETS LESS CURRENT LIABILITIES	2,693,366	(2,271,526)	1,956,289	2,378,129	(154,256)	2,223,873
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss	98	–	–	98	–	98
Settlement fee payable	335,311	(335,311)	–	–	–	–
	335,409	(335,311)	–	98	–	98
NET ASSETS	**2,357,957**	**(1,936,215)**	**1,956,289**	**2,378,031**	**(154,256)**	**2,223,775**
CAPITAL AND RESERVES						
Share capital	43,688	–	–	43,688	–	43,688
Reserves	2,301,828	(542)	19,522	2,320,808	(154,256)	2,166,552
Equity attributable to owners of the parent	2,345,516	(542)	19,522	2,364,496	(154,256)	2,210,240
Non-controlling interests	12,441	1,094	–	13,535	–	13,535
TOTAL EQUITY	**2,357,957**	**552**	**19,522**	**2,378,031**	**(154,256)**	**2,223,775**

Unaudited Pro Forma Consolidated Income Statement of the Remaining Group and the Enlarged Group

For the year ended 31st December 2012

	The Group	Pro forma adjustments for the Proposed Disposal		The Remaining Group	Pro forma adjustments for the Proposed Repurchase(s)	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 5)	*(Note 6)*	*(Note 7)*		*(Note 8)*	
Turnover	790,983	–	–	790,983	–	790,983
Cost of sales	(697,869)	–	–	(697,869)	–	(697,869)
Gross profit	93,114	–	–	93,114	–	93,114
Other revenue and net income	9,491	–	–	9,491	–	9,491
Distribution and selling expenses	(18,457)	–	–	(18,457)	–	(18,457)
General and administrative expenses	(86,444)	11,331	–	(75,113)	–	(75,113)
Other operating expenses	(2,328)	–	–	(2,328)	–	(2,328)
Fair value gains on investment properties	10,180	–	–	10,180	–	10,180
Settlement fee in respect of court settlement	(518,436)	518,436	–	–	–	–
Gain on disposal of a subsidiary	–	–	2,053,327	2,053,327	–	2,053,327
Loss on options lapsed	–	–	–	–	(31,114)	(31,114)
(Loss)/Profit from operations	(512,880)	529,767	2,053,327	2,070,214	(31,114)	2,039,100
Finance costs	(7,439)	–	–	(7,439)	–	(7,439)
Share of results of a jointly controlled entity	23,698	(23,698)	–	–	–	–
(Loss)/Profit before taxation	(496,621)	506,069	2,053,327	2,062,775	(31,114)	2,031,661
Taxation	(3,543)	–	(226,590)	(230,133)	–	(230,133)
(Loss)/Profit for the year	**(500,164)**	**506,069**	**1,826,737**	**1,832,642**	**(31,114)**	**1,801,528**
(Loss)/Profit attributable to:						
Owners of the parent	(499,954)	506,069	1,826,737	1,832,852	(31,114)	1,801,738
Non-controlling interests	(210)	–	–	(210)	–	(210)
	(500,164)	**506,069**	**1,826,737**	**1,832,642**	**(31,114)**	**1,801,528**

Unaudited Pro Forma Consolidated Statement of Comprehensive Income of the Remaining Group and the Enlarged Group

For the year ended 31st December 2012

	The Group	Pro forma adjustments for the Proposed Disposal			The Remaining Group	Pro forma adjustments for the Proposed Repurchase(s)	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 9)	*(Note 10)*	*(Note 7)*	*(Note 11)*		*(Note 8)*	
(Loss)/Profit for the year	(500,164)	506,069	1,826,737	–	1,832,642	(31,114)	1,801,528
Other comprehensive income/(loss):							
Change in fair value of available-for-sale financial assets	690,061	(690,061)	–	–	–	–	–
Share of other comprehensive loss arising from interest in a jointly controlled entity (net of tax)	(110,727)	110,727	–	–	–	–	–
Exchange difference arising on translation of PRC subsidiaries	777	(1,388)	–	–	(611)	–	(611)
Release of translation reserves of Golden Yuxing	–	–	–	(614,542)	(614,542)	–	(614,542)
Release of investment revaluation reserves of Golden Yuxing	–	–	–	(1,103,488)	(1,103,488)	–	(1,103,488)
Release of statutory reserves of Golden Yuxing	–	–	–	(11,767)	(11,767)	–	(11,767)
Other comprehensive income/(loss) for the year	580,111	(580,722)	–	(1,729,797)	(1,730,408)	–	(1,730,408)
Total comprehensive income for the year	**79,947**	**(74,653)**	**1,826,737**	**(1,729,797)**	**102,234**	**(31,114)**	**71,120**
Total comprehensive income attributable to:							
Owners of the parent	80,157	(74,653)	1,826,737	(1,729,797)	102,444	(31,114)	71,330
Non-controlling interests	(210)	–	–	–	(210)	–	(210)
	79,947	**(74,653)**	**1,826,737**	**(1,729,797)**	**102,234**	**(31,114)**	**71,120**

Unaudited Pro Forma Consolidated Cash Flow Statement of the Remaining Group and the Enlarged Group

For the year ended 31st December 2012

	The Group	Pro forma adjustments for the Proposed Disposal		The Remaining Group	Pro forma adjustments for the Proposed Repurchase(s)	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 12)	*(Note 13)*	*(Note 14)*		*(Note 8)*	
OPERATING ACTIVITIES						
(Loss)/Profit before taxation	(496,621)	506,069	2,053,327	2,062,775	(31,114)	2,031,661
Adjustments for:						
Exchange difference	(507)	–	–	(507)	–	(507)
Bad debts	18	–	–	18	–	18
Impairment in respect of trade receivables	235	–	–	235	–	235
Impairment on other receivables	822	–	–	822	–	822
Impairment on inventories	8,014	–	–	8,014	–	8,014
Reversal of impairment in respect of trade receivables	(150)	–	–	(150)	–	(150)
Reversal of impairment on other receivables	(3,932)	–	–	(3,932)	–	(3,932)
Interest income	(893)	–	–	(893)	–	(893)
Interest paid	7,439	–	–	7,439	–	7,439
Dividend income	(160)	–	–	(160)	–	(160)
Amortisation of prepaid lease payments	380	–	–	380	–	380
Depreciation of property, plant and equipment	8,445	(64)	–	8,381	–	8,381
Fair value gains on investment properties	(10,180)	–	–	(10,180)	–	(10,180)
Fair value loss on financial liabilities at fair value through profit or loss	98	–	–	98	–	98
Loss on disposal of property, plant and equipment	141	–	–	141	–	141
Loss on disposal of financial assets at fair value through profit or loss	247	–	–	247	–	247
Net unrealised holding gain on financial assets at fair value through profit or loss	(894)	–	–	(894)	–	(894)
Gain on disposal of a subsidiary	–	–	(2,053,327)	(2,053,327)	–	(2,053,327)
Loss on options lapsed	–	–	–	–	31,114	31,114
Settlement fee in respect of court settlement	518,436	(518,436)	–	–	–	–
Share of results of a jointly controlled entity	(23,698)	23,698	–	–	–	–

	The Group	Pro forma adjustments for the Proposed Disposal		The Remaining Group	Pro forma adjustments for the Proposed Repurchase(s)	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 12)	*(Note 13)*	*(Note 14)*		*(Note 8)*	
OPERATING PROFIT BEFORE CHANGES IN WORKING CAPITAL	7,240	11,267	–	18,507	–	18,507
Decrease in inventories	4,676	–	–	4,676	–	4,676
Decrease in trade and other receivables	29,070	–	–	29,070	–	29,070
Increase/(Decrease) in trade and other payables	8,839	(11,267)	–	(2,428)	–	(2,428)
CASH GENERATED FROM OPERATIONS	49,825	–	–	49,825	–	49,825
Income taxes paid	(2,402)	–	–	(2,402)	–	(2,402)
NET CASH GENERATED FROM OPERATING ACTIVITIES	**47,423**	**–**	**–**	**47,423**	**–**	**47,423**
INVESTING ACTIVITIES						
Purchase of available-for-sale financial assets	–	–	–	–	(597,965)	(597,965)
Purchase of financial assets at fair value through profit or loss	(64,605)	–	–	(64,605)	(643,962)	(708,567)
Purchase of property, plant and equipment	(6,432)	–	–	(6,432)	–	(6,432)
Acquisition of pledged bank deposits with original maturities over three months	(13,133)	–	–	(13,133)	–	(13,133)
Proceeds from disposal of financial assets at fair value through profit or loss	22,312	–	–	22,312	–	22,312
Interest received	893	–	–	893	–	893
Dividend received	160	–	–	160	–	160
Proceeds from disposal of property, plant and equipment	66	–	–	66	–	66
Proceeds from disposal of a subsidiary	–	–	2,248,621	2,248,621	–	2,248,621
NET CASH (USED IN)/GENERATED FROM INVESTING ACTIVITIES	**(60,739)**	**–**	**2,248,621**	**2,187,882**	**(1,241,927)**	**945,955**

	The Group	Pro forma adjustments for the Proposed Disposal		The Remaining Group	Pro forma adjustments for the Proposed Repurchase(s)	The Enlarged Group
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
	(Note 12)	*(Note 13)*	*(Note 14)*		*(Note 8)*	
FINANCING ACTIVITIES						
Proceeds from issue of shares under share option scheme	3,685	–	–	3,685	–	3,685
Capital contribution from non-controlling interests	12,651	–	–	12,651	–	12,651
New bank loans raised	319,914	–	–	319,914	–	319,914
Repayment of bank loans	(325,685)	–	–	(325,685)	–	(325,685)
Interest paid	(7,439)	–	–	(7,439)	–	(7,439)
NET CASH GENERATED FROM FINANCING ACTIVITIES	**3,126**	**–**	**–**	**3,126**	**–**	**3,126**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	(10,190)	–	2,248,621	2,238,431	(1,241,927)	996,504
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	84,097	–	–	84,097	–	84,097
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(16)	–	–	(16)	–	(16)
CASH AND CASH EQUIVALENTS AT END OF YEAR	**73,891**	**–**	**2,248,621**	**2,322,512**	**(1,241,927)**	**1,080,585**
Analysis of the balances of cash and cash equivalents:						
Pledged bank deposits with original maturity of less than three months when acquired	11,185	–	–	11,185	–	11,185
Cash and banks balances	62,706	–	2,248,621	2,311,327	(1,241,927)	1,069,400
	73,891	**–**	**2,248,621**	**2,322,512**	**(1,241,927)**	**1,080,585**

Notes to the Unaudited Pro Forma Financial Information

(1) The balances have been extracted, without adjustments, from the annual report of the Company for the year ended 31st December 2012.

(2) The adjustments, which are made on the basis of the unaudited balance sheet of Golden Yuxing as at 31st December 2012 consolidated in the annual report of the Company for the year ended 31st December 2012, relate to the exclusion of the assets and liabilities of Golden Yuxing as at 31st December 2012 assuming the Proposed Disposal had been taken place on **31st December 2012**.

The reconciliation of the excluded items with the corresponding balances as disclosed in Appendix II of this circular is as follows:

		Unaudited balance sheet of Golden Yuxing as per Appendix II	**Reconciled items**	**Unaudited balance sheet of Golden Yuxing excluded as a result of the Proposed Disposal**
		HK$'000	*HK$'000*	*HK$'000*
NON-CURRNT ASSETS				
Property, plant and equipment		498	–	498
Available-for-sale financial assets	*Note 2(a)*	552	(552)	–
Interest in a jointly controlled entity		2,535,249	–	2,535,249
		2,536,299	(552)	2,535,747
CURRENT ASSETS				
Inventories		–	–	–
Trade and other receivables		120,598	–	120,598
Dividend receivable		97,484	–	97,484
Amount due from ultimate holding company	*Note 2(b)*	4,872	(4,872)	–
Amount due from fellow subsidiaries		–	–	–
Cash and bank balances		2,910	–	2,910
		225,864	(4,872)	220,992
CURRENT LIABILITIES				
Trade and other payables		18,386	–	18,386
Bank loans		47,076	–	47,076
Settlement fee payable		184,980	–	184,980
Amount due to Remaining Group	*Note 2(b)*	–	234,771	234,771
Amount due to immediate holding company	*Note 2(b)*	24,708	(24,708)	–
Amount due to fellow subsidiaries	*Note 2(b)*	213,628	(213,628)	–
Amount due to subsidiaries	*Note 2(b)*	1,307	(1,307)	–
		490,085	(4,872)	485,213

		Unaudited balance sheet of Golden Yuxing as per Appendix II	Reconciled items	Unaudited balance sheet of Golden Yuxing excluded as a result of the Proposed Disposal
		HK$'000	*HK$'000*	*HK$'000*
NET CURRENT LIABILITIES		(264,221)	–	(264,221)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,272,078	(552)	2,271,526
NON-CURRENT LIABILITIES				
Settlement fee payable		335,311	–	335,311
		335,311	–	335,311
NET ASSETS		1,936,767	(552)	1,936,215
CAPITAL AND RESERVES				
Share capital	*Note 2(c)*	34,961	(34,961)	–
Reserves	*Note 2(a)*	1,901,806	(1,901,264)	542
Equity attributable to owners of the parent		1,936,767	(1,936,225)	542
Non-controlling interests	*Note 2(a)*	–	(1,094)	(1,094)
TOTAL EQUITY		1,936,767	(1,937,319)	(552)

Note 2(a) Golden Yuxing holds 1% equity interest in Foshan Zhixing Technology Company Limited ("Foshan Zhixing"), which is recorded as available-for-sale financial assets in the books of Golden Yuxing with carrying amount of approximately HK$552,000 as at 31st December 2012. The remaining 99% equity interest in Foshan Zhixing is held by another wholly-owned subsidiary of the Group. Upon the completion of the Proposed Disposal, the 1% equity interest originally held by Golden Yuxing would be transferred to the Purchaser as part of the Proposed Disposal. A deficit of approximately HK$542,000 which represents a loss on change in ownership interest in Foshan Zhixing that does not result in loss of control in Foshan Zhixing by the Remaining Group, would be debited to other reserves of the Remaining Group. The non-controlling interests of the Remaining Group would be credited by approximately HK$1,094,000 which represents the net asset value of Foshan Zhixing to be shared by the Purchaser upon the completion of the Proposed Disposal.

As shown in the unaudited statement of changes in equity in Appendix II, the unaudited balance of reserves of Golden Yuxing as at 31st December 2012 comprised statutory reserves, investment revaluation reserves, translation reserves and accumulated losses of Golden Yuxing as at 31st December 2012. Adjustments to such amounts are made in calculating the estimated pro forma gain on disposal of Golden Yuxing, details of which are set out in note 3 below.

Note 2(b)

	HK$'000
Total amounts due to Remaining Group are summarised as follows:	
Amount due to immediate holding company	24,708
Amount due to fellow subsidiaries	213,628
Amount due to subsidiaries	1,307
Amount due from ultimate holding company	(4,872)
Total amounts due to Remaining Group*	234,771

* The amounts due to Remaining Group are eliminated on consolidation while the balance would be recorded as amount due from Golden Yuxing in the unaudited pro forma consolidated balance sheet of the Remaining Group as a result of the Proposed Disposal.

Note 2(c) The share capital of Golden Yuxing is eliminated on consolidation of the Group and therefore no adjustment is made as a result of the Proposed Disposal.

(3) The adjustments represent the gain on the Proposed Disposal assuming that the Proposed Disposal had been taken place on **31st December 2012**, which is calculated as follows:

	HK$'000
Cash consideration for 51 million Ping An A Shares*	2,345,283
Less: Debts payables (balance of net amount due to Remaining Group which is extracted from Appendix II) *(Note 3(a))*	(234,771)
Debts payables (settlement fee payable which is extracted from Appendix II)	(520,291)
Other remaining debts (balance of trade and other payables and bank loans which is extracted from Appendix II)	(65,462)
Effect of undiscounted settlement fee payable *(Note 3(c))*	(34,649)
Estimated stamp duty in relation to the Proposed Disposal	(856)
Estimated legal and professional fees and related expenses in relation to the Proposed Disposal	(2,060)
	1,487,194
Add: Receivables and bank balances of Golden Yuxing in respect of the period up to the completion date and belonging to the Remaining Group	
Trade and other receivables (extracted from Appendix II)	120,598
Dividend receivables (extracted from Appendix II)	97,484
Bank balances (extracted from Appendix II)	2,910
Adjusted cash consideration, net of expenses	1,708,186
Net assets of Golden Yuxing	(1,936,767)
Fair value of options in connection with Proposed Repurchase(s) *(Note 3(b))*	420,627
Release of translation reserves of Golden Yuxing	615,930
Release of investment revaluation reserves of Golden Yuxing	1,682,822
Release of statutory reserves of Golden Yuxing	11,767
Estimated pro forma gain on disposal of Golden Yuxing before taxation	2,502,565
PRC Enterprise Income Tax	(172,524)
Estimated pro forma gain on disposal of Golden Yuxing after taxation	2,330,041

* Exchange rate at 31st December 2012 of RMB0.8109 = HK$1.00

* Disposal Price per Ping An A Share at agreement date of RMB37.29

Note 3(a) Debts payables (balance of net amount due to Remaining Group which is extracted from Appendix II)

	HK$'000
Amount due from ultimate holding company	4,872
Amount due to immediate holding company	(24,708)
Amount due to fellow subsidiaries	(213,628)
Amount due to subsidiaries	(1,307)
Total amounts due to Remaining Group	(234,771)

Note 3(b) The options represent the Company's obligation to repurchase not less than 27 million Ping An A Shares and the Company's right but not an obligation to further repurchase up to 14 million Ping An A Shares.

The fair value of options in connection with Proposed Repurchases(s) are estimated with reference to the amounts valued by an independent professional valuer at 31st December 2012 using binomial model with the following parameters:

	Call	**Put**
	RMB	*RMB*
Share price	45.29	45.29
Exercise price	37.29	37.29
Start date	31/12/2012	31/12/2012
End date	31/3/2013	31/3/2013
Life (year)	0.25	0.25
Risk-free rate	2.79%	2.79%
Expected volatility	28%	28%
Expected dividend	0%	0%
Value per option	8.443	0.188
Number of options	41,000,000	27,000,000
Options value in RMB	346,163,000	5,076,000
Exchange rate	0.8109	0.8109
	HK$'000	*HK$'000*
Options value in HK$	**426,887**	**6,260**

The fair value of call options of approximately HK$426,887,000 is classified as financial assets at fair value through profit or loss under current assets. The fair value of put options of approximately HK$6,260,000 is classified as financial liabilities at fair value through profit or loss under current liabilities. The difference between the fair value of call options and put options of approximately HK$420,627,000 would be credited to profit or loss for the calculation of the gain on disposal of Golden Yuxing.

Note 3(c) The undiscounted settlement fee payable is the difference between the Settlement Fee of RMB450 million and the carrying amount of the Settlement Fee which represented the present value of the settlement fee payable in the books of Golden Yuxing as at 31st December 2012. As the Settlement Fee in the Total Disposal Consideration is on an undiscounted basis, the adjusted cash consideration of the Proposed Disposal for the purpose of the unaudited pro forma information has to include the undiscounted settlement fee payable as at the relevant dates referenced in the unaudited pro forma financial information.

Note 3(d)	*HK$'000*
Estimated pro forma gain on disposal of Golden Yuxing after taxation	2,330,041
Release of translation reserves of Golden Yuxing	(615,930)
Release of investment revaluation reserves of Golden Yuxing	(1,682,822)
Release of statutory reserves of Golden Yuxing	(11,767)
Net increase in reserves as a result of Proposed Disposal	19,522

(4)

	Exercise Price *RMB*	**Number of shares of Proposed Repurchase(s)**	*RMB'000*	**Exchange rate**	*HK$'000*
Cash consideration for 27 million Ping An A Share at Repurchase Price per Ping An A Share					
Classified as available-for-sale financial assets	37.29	13,000,000	484,770	0.8109	597,817
Classified as financial assets at fair value through profit or loss	37.29	14,000,000	522,060	0.8109	643,803
Total cash consideration for Proposed Repurchase(s)					1,241,620
	Market Price *RMB*				
Fair value of available-for-sale financial assets at 31st December 2012	45.29	13,000,000	588,770	0.8109	(726,070)
Fair value of financial assets at fair value through profit or loss at 31st December 2012	45.29	14,000,000	634,060	0.8109	(781,921) *Note 4(a)*
Release of the carrying amount of financial assets at fair value through profit or loss (call option element) *(Note 3(b))*					426,887 *Note 4(a)*
Release of the carrying amount of financial liabilities at fair value through profit or loss (put option element) *(Note 3(b))*					(6,260)
Estimated pro forma loss on options lapsed					154,256

For the proposed adjustments for the Proposed Repurchase(s), the following assumptions have been taken into consideration:

(i) It is assumed that no Ping An A Shares had been disposed of pursuant to the New Disposal Mandate.

(ii) It is assumed that the option of the Group to repurchase additional 14 million Ping An A Shares under the Proposed Repurchase(s) (and hence the Repurchase Period and the New Disposal Mandate) expired and such option were lapsed as at 31st December 2012. The Company did not exercise such option and had chosen to repurchase the minimum amount of 27 million Ping An A Shares only in accordance with the terms of the Agreement. For the purpose of preparing the pro forma balance sheet to illustrate the financial impact of the Proposed Repurchase(s) on the assets, liabilities and reserves of the Group, the carrying value of the all options relevant to the Proposed Repurchase(s) (after taking into account the difference between the market price of RMB45.29 of each Ping An A Share on 31st December 2012, and the exercise price of RMB37.29 per share for the 27 million Ping An A Shares) is charged to profit or loss.

(iii) For the purpose of preparing the pro forma balance sheet to illustrate the financial impact of the Proposed Repurchase(s) on the assets and liabilities of the Group, the valuation date of the options referred to in (ii) above and the date of the Proposed Repurchase(s) were assumed to be 31st December 2012. The market price of each Ping An A Share on 31st December 2012 was RMB45.29.

(iv) It is assumed that the Proposed Repurchase(s) had no tax implication on the Group.

Note 4(a)	*HK$'000*
Recognition of 14 million Ping An A Shares as financial assets at fair value through profit or loss (held for trading purpose)	781,921
Release of the carrying amount of financial assets at fair value through profit or loss (call option element) *(Note 3(b))*	(426,887)
Net increase in financial assets at fair value through profit or loss as a result of Proposed Repurchase(s)	355,034

* For illustrative purpose, if the Company was to repurchase the maximum amount of 41 million Ping An A Shares in accordance with the terms of the Agreement, an estimated pro forma loss on options lapsed referred to above in note 4 (after taking into account the difference between the market price of RMB45.29 of each Ping An A Share on 31st December 2012 and the exercise price of RMB37.29 per share for the 41 million Ping An A Shares) would become approximately HK$16,138,000 which would be charged to profit or loss.

(5) The amounts have been extracted, without adjustments, from the annual report of the Company for the year ended 31st December 2012.

(6) The adjustments relate to the exclusion of the results of Golden Yuxing for the year ended 31st December 2012 assuming the Proposed Disposal had been taken place on **1st January 2012**. The adjustments are not expected to have a continuing effect on the Remaining Group.

The reconciliation of the excluded items with the corresponding amounts as disclosed in Appendix II of this circular is as follows:

	Results of Golden Yuxing as per Appendix II	**Results of trading operation retained by the Remaining Group**	**Results of unallocated group expenses retained by the Remaining Group**	**Results of Golden Yuxing excluded as a result of the Proposed Disposal**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
		(Note 6(a))	*(Note 6(a))*	
Turnover	512,982	(512,982)	–	–
Cost of sales	(501,834)	501,834	–	–
Gross profit	11,148	(11,148)	–	–
Other revenue and net income	148	(123)	(25)	–
General and administrative expenses	(17,969)	170	6,468	(11,331)
Other operating expenses	(145)	145	–	–
Settlement fee in respect of court settlement	(518,436)	–	–	(518,436)
Loss from operations	(525,254)	(10,956)	6,443	(529,767)
Finance costs	(3,685)	3,685	–	–
Share of results of a jointly controlled entity	23,698	–	–	23,698
Loss before taxation	(505,241)	(7,271)	6,443	(506,069)
Taxation	–	–	–	–
Loss for the year	(505,241)	(7,271)	6,443	(506,069)

Note 6(a) In April 2013, the Group commenced its re-organisation (the "Re-organisation") under which the trading activities originally operated by Golden Yuxing had been transferred to the Remaining Group prior to the completion date of the Proposed Disposal. In essence, the results of Golden Yuxing excluded from the unaudited pro forma financial information of the Remaining Group represent the share of results of JI by Golden Yuxing, being primarily the dividend income declared by JI for the Group's indirect economic interest in the 51 million Ping An A Shares, after deducting the legal costs and depreciation of fixed assets of Golden Yuxing as well as the provision for the Settlement Fee pursuant to the terms of the Final Settlement Agreement.

For the purpose of preparing the unaudited pro forma consolidated income statement of the Remaining Group, it is assumed that the Re-organisation had been completed as at 1st January 2012 and therefore the results attributable to the trading activities and the unallocated group expenses would be retained by the Remaining Group for the year ended 31st December 2012.

(7) The adjustments represent the gain on the Proposed Disposal assuming that the Proposed Disposal had been taken place on **1st January 2012**, which is calculated as follows:

	HK$'000
Cash consideration for 51 million Ping An A Shares*	2,345,862
Less: Debts payables (balance of net amount due to Remaining Group which is extracted from Appendix II) *(Note 7(a))*	(289,277)
Other remaining debts (balance of trade and other payables and bank loans which is extracted from Appendix II)	(44,384)
Estimated stamp duty in relation to the Proposed Disposal	(1,126)
Estimated legal and professional fees and related expenses in relation to the Proposed Disposal	(2,060)
	2,009,015
Add: Receivables and bank balances of Golden Yuxing in respect of the period up to the completion date belonging to the Remaining Group	
Trade and other receivables (extracted from Appendix II)	150,170
Dividend receivables (extracted from Appendix II)	72,345
Bank balances (extracted from Appendix II)	17,091
Adjusted cash consideration, net of expenses	2,248,621
Net assets of Golden Yuxing	(1,861,286)
Fair value of options in connection with Proposed Repurchase(s) *(Note 7(b))*	(63,805)
Release of translation reserves of Golden Yuxing	614,542
Release of investment revaluation reserves of Golden Yuxing	1,103,488
Release of statutory reserves of Golden Yuxing	11,767
Estimated pro forma gain on disposal of Golden Yuxing before taxation	2,053,327
PRC Enterprise Income Tax	(226,590)
Estimated pro forma gain on disposal of Golden Yuxing after taxation	1,826,737

* Exchange rate at 1st January 2012 of RMB0.8107 = HK$1.00

* Disposal Price per Ping An A Share at agreement date of RMB37.29

Note 7(a) Debts payables (balance of net amount due to Remaining Group which is extracted from Appendix II)

	HK$'000
Amount due from ultimate holding company	4,872
Amount due from fellow subsidiaries	8,537
Amount due to immediate holding company	(24,708)
Amount due to fellow subsidiaries	(276,670)
Amount due to subsidiaries	(1,308)
Total amounts due to Remaining Group	(289,277)

Note 7(b) The options represent the Company's obligation to repurchase not less than 27 million Ping An A Shares and the Company's right but not an obligation to further repurchase up to 14 million Ping An A Shares.

The fair value of options in connection with Proposed Repurchases(s) are estimated with reference to the amounts valued by an independent professional valuer at 1st January 2012 using binomial model with the following parameters:

	Call	**Put**
	RMB	*RMB*
Share price	34.44	34.44
Exercise price	37.29	37.29
Start date	1/1/2012	1/1/2012
End date	31/3/2012	31/3/2012
Life (year)	0.25	0.25
Risk-free rate	2.74%	2.74%
Expected volatility	35%	35%
Expected dividend	0%	0%
Value per option	1.387	4.022
Number of options	41,000,000	27,000,000
Options value in RMB	56,867,000	108,594,000
Exchange rate	0.8107	0.8107
	HK$'000	*HK$'000*
Options value in HK$	**70,146**	**133,951**

The fair value of call options of approximately HKD70,146,000 is classified as financial assets at fair value through profit or loss under current assets. The fair value of put options of approximately HKD133,951,000 is classified as financial liabilities at fair value through profit or loss under current liabilities. The difference between the fair value of call options and put options of approximately HKD63,805,000 would be charged to profit or loss for the calculation of the gain on disposal of Golden Yuxing.

(8)

	Exercise Price *RMB*	Number of shares of Proposed Repurchase(s)	*RMB'000*	Exchange rate	*HK$'000*
Cash consideration for 27 million Ping An A Share at Repurchase Price per Ping An A Share					
Classified as available-for-sale financial assets	37.29	13,000,000	484,770	0.8107	597,965
Classified as financial assets at fair value through profit or loss	37.29	14,000,000	522,060	0.8107	643,962
Total cash consideration for Proposed Repurchase(s)					1,241,927
	Market Price *RMB*				
Fair value of available-for-sale financial assets at 1st January 2012	34.44	13,000,000	447,720	0.8107	(552,263)
Fair value of financial assets at fair value through profit or loss at 1st January 2012	34.44	14,000,000	482,160	0.8107	(594,745)
Release of the carrying amount of financial assets at fair value through profit or loss (call option element) *(Note 7(b))*					70,146
Release of the carrying amount of financial liabilities at fair value through profit or loss (put option element) *(Note 7(b))*					(133,951)
Estimated pro forma loss on options lapsed					31,114

For the proposed adjustments for the Proposed Repurchase(s), the following assumptions have been taken into consideration:

(i) It is assumed that no Ping An A Shares had been disposed of pursuant to the New Disposal Mandate.

(ii) It is assumed that the option of the Group to repurchase additional 14 million Ping An A Shares under the Proposed Repurchase(s) (and hence the Repurchase Period and the New Disposal Mandate) expired and such option were lapsed during the year 2012. The Company did not exercise such option and had chosen to repurchase the minimum amount of 27 million Ping An A Shares only in accordance with the terms of the Agreement. For the purpose of preparing the pro forma income statement to illustrate the financial impact of the Proposed Repurchase(s) on the earnings of the Group, the carrying value of the all options relevant to the Proposed Repurchase(s) (after taking into account the difference between the market price of RMB34.44 of each Ping An A Share on 1st January 2012 and the exercise price of RMB37.29 per share for the 27 million Ping An A Shares) is charged to profit or loss.

(iii) For the purpose of preparing the pro forma income statement to illustrate the financial impact of the Proposed Repurchase(s) on the earnings of the Group, the valuation date of the options referred to in (ii) above and the date of the Proposed Repurchase(s) were assumed to be 1st January 2012. The market price of each Ping An A Share on 1st January 2012 was RMB34.44.

(iv) It is assumed that no dividends were declared from Ping An during the year 2012.

(v) It is assumed that the Proposed Repurchase(s) had no tax implication on the Group.

(vi) It is assumed that there had been no change in fair value of Ping An A Shares during the year 2012.

* For illustrative purpose, if the Company was to repurchase the maximum amount of 41 million Ping An A Shares in accordance with the terms of the Agreement, an estimated pro forma loss on options lapsed referred to above in note 8 (after taking into account the difference between the market price of RMB34.44 of each Ping An A Share on 1st January 2012 and the exercise price of RMB37.29 per share for the 41 million Ping An A Shares) would become approximately HK$80,330,000 which would be charged to profit or loss.

(9) The amounts have been extracted, without adjustments, from the annual report of the Company for the year ended 31st December 2012.

(10) The adjustment represents the exclusion of the unaudited statement of comprehensive income of Golden Yuxing for the year ended 31st December 2012 assuming the Proposed Disposal had been taken place on **1st January 2012**. The adjustment is not expected to have a continuing effect on the Remaining Group.

The reconciliation of the exclusion with the corresponding amounts as disclosed in Appendix II of this circular is as follows:

	Results of Golden Yuxing as per Appendix II *HK$'000*	**Results of trading operation and unallocated group expenses retained by the Remaining Group** *HK$'000* *(Note 10(a))*	**Results of Golden Yuxing excluded as a result of the Proposed Disposal** *HK$'000*
Loss for the year	(505,241)	(828)	(506,069)
Other comprehensive income:			
Change in fair value of available-for-sale financial assets	690,061	–	690,061
Share of other comprehensive loss arising from interest in a jointly controlled entity (net of tax)	(110,727)	–	(110,727)
Exchange difference arising on translation to presentation currency	1,388	–	1,388
Other comprehensive income for the year	580,722	–	580,722
Total comprehensive income for the year	75,481	(828)	74,653

Note 10(a) In April 2013, the Group commenced the Re-organisation under which the trading activities originally operated by Golden Yuxing had been transferred to the Remaining Group prior to the completion date of the Proposed Disposal.

For the purpose of preparing the unaudited pro forma consolidated statement of comprehensive income of the Remaining Group, it is assumed that the Re-organisation had been completed as at 1st January 2012 and therefore the results attributable to the trading activities and the unallocated group expenses would be retained by the Remaining Group for the year ended 31st December 2012.

(11) The adjustments reflect the release of translation, investment revaluation and statutory reserves upon the Proposed Disposal at 1st January 2012, as if the Proposed Disposal had taken place on 1st January 2012. The adjustments are not expected to have a continuing effect on the Remaining Group.

(12) The amounts have been extracted, without adjustments, from the annual report of the Company for the year ended 31st December 2012.

(13) The adjustment represents the exclusion of the cash flows of Golden Yuxing for the year ended 31st December 2012 assuming the Proposed Disposal had been taken place on 1st January 2012. The adjustment is not expected to have a continuing effect on the Remaining Group.

The reconciliation of the excluded items with the corresponding amounts as disclosed in Appendix II of this circular is as follows:

	Cash flows of Golden Yuxing as per Appendix II *HK$'000*	Cash flows of operation and unallocated group income and expenses retained by the Remaining Group *HK$'000* *(Note 13(a))*	Cash flows of Golden Yuxing excluded as a result of the Proposed Disposal *HK$'000*
OPERATING ACTIVITIES			
Loss before taxation	(505,241)	(828)	(506,069)
Adjustments for:			
Exchange difference	(42)	42	–
Bad debts	18	(18)	–
Impairment on other receivables	822	(822)	–
Impairment on inventories	(2,736)	2,736	–
Interest income	(25)	25	–
Interest paid	3,685	(3,685)	–
Depreciation of property, plant and equipment	64	–	64
Loss on disposal of property, plant and equipment	70	(70)	–
Settlement fee in respect of court settlement	518,436	–	518,436
Share of results of a jointly controlled entity	(23,698)	–	(23,698)
OPERATING LOSS BEFORE CHANGES IN WORKING CAPITAL	(8,647)	(2,620)	(11,267)
Decrease in inventories	2,798	(2,798)	–
Decrease in trade and other receivables	37,227	(37,227)	–
Decrease in trade and other payables	(52,905)	64,172	11,267
NET CASH USED IN OPERATING ACTIVITIES	(21,527)	21,527	–
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	(8)	8	–
Interest received	25	(25)	–
NET CASH GENERATED FROM INVESTING ACTIVITIES	17	(17)	–

	Cash flows of Golden Yuxing as per Appendix II *HK$'000*	Cash flows of operation and unallocated group income and expenses retained by the Remaining Group *HK$'000* *(Note 13(a))*	Cash flows of Golden Yuxing excluded as a result of the Proposed Disposal *HK$'000*
FINANCING ACTIVITIES			
New bank loans raised	188,628	(188,628)	–
Repayment of bank loans	(177,610)	177,610	–
Interest paid	(3,685)	3,685	–
NET CASH GENERATED FROM FINANCING ACTIVITIES	7,333	(7,333)	–
NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,177)	14,177	–
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	17,091	(17,091)	–
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	(4)	4	–
CASH AND CASH EQUIVALENTS AT END OF YEAR	2,910	(2,910)	–
Analysis of the balances of cash and cash equivalents:			
Cash and bank balances	2,910	(2,910)	–

Note 13(a) In April 2013, the Group commenced the Re-organisation under which the trading activities originally operated by Golden Yuxing had been transferred to the Remaining Group prior to the completion date of the Proposed Disposal. In essence, the cash flows of Golden Yuxing excluded from the unaudited pro forma financial information of the Remaining Group represent the share of results of JI by Golden Yuxing, being primarily the dividend income declared by JI for the Group's indirect economic interest in the 51 million Ping An A Shares, after deducting the legal costs and depreciation of fixed assets of Golden Yuxing as well as the provision for the Settlement Fee pursuant to the terms of the Final Settlement Agreement.

For the purpose of preparing the unaudited pro forma consolidated cash flow statement of the Remaining Group, it is assumed that the Re-organization had been completed as at 1st January 2012 and therefore the cash flows attributable to the trading activities and the unallocated group expenses would be retained by the Remaining Group for the year ended 31st December 2012.

(14) The adjustment represents the gain on the Proposed Disposal of approximately HK$2,053.3 million and the net cash inflows arising from the Proposed Disposal amounted to approximately HK$2,248.6 million assuming that (i) the Proposed Disposal had been taken place on 1st January 2012; and (ii) the estimated stamp duty, legal and professional fees and related expenses in relation to the Proposed Disposal was settled on 1st January 2012. This adjustment is not expected to have a continuing effect on the Remaining Group in the subsequent reporting periods.

II. ACCOUNTANTS' REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION

MAZARS CPA LIMITED
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31st October 2013

The Board of Directors
Yuxing InfoTech Investment Holdings Limited
Units 2107-8, 21/F, Exchange Tower
33 Wang Chiu Road
Kowloon
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of Yuxing InfoTech Investment Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma consolidated balance sheet as at 31st December 2012, the unaudited pro forma consolidated income statement and the unaudited pro forma consolidated statement of comprehensive income for the year ended 31st December 2012, the unaudited pro forma consolidated cash flow statement for the year ended 31st December 2012, and related notes as set out on pages 60 to 81 of the circular issued by the Company dated 31st October 2013 (the "Circular"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on page 60 of the Circular.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the Proposed Disposal and the Proposed Repurchase(s) as described in the Introduction section of the unaudited pro forma financial information on page 60 of the Circular on the Group's financial position as at 31st December 2012 and the Group's financial performance and cash flows for the year ended 31st December 2012 as if the transactions had taken place at 31st December 2012 and 1st January 2012 respectively. As part of this process, information about the Group's financial position, financial performance and cash flows has been extracted by the Directors from the Group's consolidated financial statements for the year ended 31st December 2012, on which an audit report has been published.

Directors' Responsibilities for the Unaudited Pro Forma Financial Information

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 7.31 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM

Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Reporting Accountants' Responsibilities

Our responsibility is to express an opinion, as required by paragraph 7.31(7) of the GEM Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements ("HKSAE") 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountants comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 7.31 of the GEM Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of the engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in a circular is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31st December 2012 or 1st January 2012 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

– The related unaudited pro forma adjustments give appropriate effect to those criteria; and

– The unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

(a) the unaudited pro forma financial information has been properly compiled on the basis stated;

(b) such basis is consistent with the accounting policies of the Group; and

(c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 7.31(1) of the GEM Listing Rules.

Mazars CPA Limited
Certified Public Accountants
Hong Kong, 31st October 2013

Eunice Y M Kwok
Practising Certificate number: P04604

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 enquires, 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 OF DIRECTORS AND CHIEF EXECUTIVES

Directors' and chief executives' interests and short positions in the securities of the Company and its associated corporations

Save as disclosed below, as at the Latest Practicable Date, none of the Directors, chief executives of the Company and their associates (with the meaning of the GEM Listing Rules) had any interests or short positions in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (Chapter 571 of the Laws of Hong Kong) (including interests and short positions which they are deemed or taken to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required, pursuant to rules 5.46 to 5.67 of the GEM Listing Rules and the Model Code for Securities Transactions by Directors of Listed Companies, to be notified to the Company and the Stock Exchange:

(1) Long positions in the Shares

Name of Director	Nature of interests	Number of Shares	Capacity	Percentage of the issued share capital of the Company[1]
Mr. Zhu Wei Sha	Corporate[2]	660,000,000	Interest of a controlled corporation	36.83%
	Personal	300,000	Beneficial owner	0.02%
Mr. Chen Fu Rong	Corporate[2]	660,000,000	Interest of a controlled corporation	36.83%
Mr. Shi Guang Rong	Personal	25,060,000	Beneficial owner	1.40%

Name of Director	Nature of interests	Number of Shares	Capacity	Percentage of the issued share capital of the Company[1]
Mr. Wang An Zhong	Personal	6,736,756	Beneficial owner	0.38%
Mr. Zhu Jiang	Personal	7,926,756	Beneficial Owner	0.44%
Mr. Zhong Peng Rong	Personal	1,600,000	Beneficial owner	0.09%
Mr. Wu Jia Jun	Personal	1,600,000	Beneficial owner	0.09%
Ms. Shen Yan	Personal	960,000	Beneficial owner	0.05%

Notes:

1. The percentage of shareholding has been complied based on the total number of Shares in issue as at the Latest Practicable Date (i.e. 1,792,116,800 Shares).

2. Messrs. Zhu Wei Sha and Chen Fu Rong held these Shares through Super Dragon Co., Ltd. ("Super Dragon"), a company in which Messrs. Zhu Wei Sha and Chen Fu Rong held 63.6% and 36.4% of the entire issued share capital respectively. Both Mr. Zhu Wei Sha and Mr. Chen Fu Rong are directors of Super Dragon.

3. SUBSTANTIAL SHAREHOLDERS

Save as disclosed below, the Directors and chief executive of the Company are not aware that there was any party (other than a Director or chief executive of the Company), who, as at the Latest Practicable Date 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 or who was directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote at general meeting of any other member of the Group:

Name of Shareholders	Nature of interests	Number of Shares	Capacity	Percentage of the issued share capital of the Company
Super Dragon	Corporate	660,000,000	Beneficial owner	36.83%
Gold Swiss Holdings Limited	Corporate	100,000,000	Beneficial owner	5.58%

Save as disclosed in the sections of this appendix headed "2. Disclosure of Interests of Directors and Chief Executives" regarding the directorships of Mr. Zhu Wei Sha and Mr. Chen Fu Rong in Super Dragon and "3. Substantial Shareholders", none of the Directors or proposed Director is a director or employee of a company which has an interest in the Shares and underlying Shares which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

4. DIRECTORS' INTERESTS IN ASSETS/CONTRACTS AND OTHER INTERESTS

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been acquired or disposed of by or leased to the Company or are proposed to be acquired or disposed of by or leased to the Company since 31st December 2012 (being the date of the latest published audited financial statements of the Group).

None of the Directors was materially interested in any contract or arrangement entered into by the Company subsisting at the Latest Practicable Date and which is significant in relation to the business of the Company.

5. COMPETING INTERESTS

To the best knowledge of the Directors, as at the Latest Practicable Date, none of the Directors or their respective associates had any interests in a business, which competes or is likely to compete either directly or indirectly with the business of the Group which would be required to be disclosed under rule 11.04 of the GEM Listing Rules, as if the Directors were Controlling Shareholders (as defined under GEM Listing Rules).

6. SERVICE CONTRACTS

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

7. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business) were entered into by members of the Group within 2 years immediately preceding the date of this circular and are or may be material:

(a) the Agreement;

(b) the Loan Agreement;

(c) the Final Settlement Agreement;

(d) the Guarantee;

(e) the settlement agreement (和解協議書) ("**Settlement Agreement**") entered into between Golden Yuxing and JLB Group on 30th January 2013 in relation to the settlement of certain legal proceedings and the extinguishment of the certain claims, details of which was disclosed in the announcement dated 30th January 2013 and circular date 28th February 2013 issued by the Company;

(f) a guarantee of up to RMB450 million (equivalent to approximately HK$568.8 million) dated 30th January 2013 provided by the Company in favour of JLB Group pursuant to the terms and conditions of the Settlement Agreement, which was substituted by the Guarantee; and

(g) the Bilateral Agreement.

8. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration proceedings of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

9. QUALIFACTION AND CONSENT OF EXPERTS

The following sets out the qualifications of the experts which have given an opinion or advice on the information contained in this circular:

Name	Qualifications
Mazars CPA Limited	Certified Public Accountants

(a) As at the Latest Practicable Date, Mazars CPA Limited had no interest, direct or indirect, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

(b) As at the Latest Practicable Date, Mazars CPA Limited has no interest, direct or indirect, in any assets, contracts and other interest which relates to the Group.

(c) Mazars CPA Limited has given and has not withdrawn its written consent to the issue of this circular with its letter or report included in the form and context in which it is included.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the principal place of business of the Company in Hong Kong at Units 2107-8 21/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong from the date of this circular up to and including the date of the SGM:

(a) the memorandum of association and bye-laws of the Company;

(b) the material contracts referred to in the paragraph headed "Material Contracts" in this appendix;

(c) the letter from the Board, the text of which is set out on pages 9 to 40 of this circular;

(d) the annual reports of the Company for the three financial years ended 31st December 2010, 2011 and 2012 and the interim report of the Company for the six months ended 30th June 2013;

(e) the report from Mazars CPA Limited on review of the financial information of Golden Yuxing, the texts of which are set out in Appendix II to this circular;

(f) the report from Mazars CPA Limited on review of the unaudited pro forma financial information of the Remaining Group, the text of which is set out in Appendix III to this circular;

(g) the written consent referred to the paragraph headed "Qualification and Consent of Experts" in this appendix;

(h) the circular dated 28th February 2013 of the Company; and

(i) this circular.

11. MISCELLANEOUS

(a) The registered office of the Company is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the places of business in Hong Kong is Units 2107-8 21/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong.

(b) The company secretary of the Company is Mr. Liu Wei, who is a qualified solicitor in the PRC, Hong Kong and England.

(c) The compliance officer of the Company is Mr. Shi Guang Rong. Mr. Shi graduated with a bachelor's degree in engineering from the Department of Automatic Control of the Beijing University of Technology. He had worked at various enterprises in the PRC. He is responsible for the marketing and public relation matters of the Group and possesses 22 years' experience in product marketing and promotion.

(d) The Company's branch share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited at 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong.

(e) The audit committee comprises three independent non-executive directors of the Company, namely Mr. Wu Jia Jun, Mr. Zhong Peng Rong and Ms. Shen Yan. Ms. Shen was appointed as the chairman of the audit committee and she has appropriate professional qualifications in accounting and auditing experience. The responsibility of the audit committee is to assist the Board in fulfilling its audit duties through the review and supervision of the Company's financial reporting system and internal control procedures.

Mr. Wu Jia Jun, aged 81, is currently an Honorary Academy Member and researcher of China Social Science Academy as well as a tutor of doctoral students. He is also honour president of the China Industrial Economic Association. He served as the vice general manager of the Chinese Industrial and Economic Research Institute from 1980 to 1993, and the vice president of the Young Entrepreneurs Association of China. Mr. Wu has extensive experience in conducting research in the economy and industries of the PRC and also in corporate management. He is a renowned scholar in Japanese corporate and industrial management of which he has an in-depth knowledge. He has published several books and articles on corporate management and economic reform. Mr. Wu was appointed as Independent Non-executive Director in October, 1999.

Mr. Zhong Peng Rong, aged 60, is a renowned Chinese economist. He worked with the central government of the PRC for many years as a chief researcher. He now serves as a professor of several famous universities and as an adviser to over 21 enterprises and local governments of the PRC. As the chairman and research fellow of the Beijing Shiye Consultancy Centre, he has formulated development strategies for enterprises in different industries and for local governments. He has an in-depth understanding of the macroeconomic environment and government administration in the PRC. Mr. Zhong was appointed as Independent Non-executive Director in October 1999.

Ms. Shen Yan, aged 49, holds a bachelor degree in accounting and has over 18 years of experience in accounting and 14 years of experience in auditing. She is currently a tutor of Beijing University of Technology. Ms. Shen successively held important posts in a number of enterprises in the PRC and is well experienced in financial accounting, budget control and financial management. During that period, she took part in the research on the relevant financial management projects and has compiled and published a number of books on professional management. Before then, she worked in Beijing Zhong Gong Xin Certified Public Accountants (北京中公信會計師事務所), where she presided over audit works for China and international renowned enterprises operating in various fields such as manufacturing, professional affairs and services, and has accumulated invaluable experiences in relation to corporate finance management and audit works. In April 2008, Ms. Shen was appointed as the chief accountant of the Beijing University of Technology Investment Company (北京工業大學投資公司). Ms. Shen was appointed as Independent Non-executive Director in January 2005.

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

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 of Yuxing InfoTech Investment Holdings Limited (the "**Company**") will be held at Unit 2107-8, 21/F, Exchange Tower, 33 Wang Chiu Road, Kowloon Bay, Kowloon, Hong Kong on Friday, 15th November 2013 at 11:00 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

1. "**THAT**

(a) the agreement on the reorganisation of the equity and assets of 北京金裕興電子技術有限公司 (Beijing Golden Yuxing Electronics and Technology Company Limited) ("**Golden Yuxing**") dated 11th October 2013 (the "**Agreement**", a copy of which has been produced to this Meeting marked "**A**" and initialled by the Chairman of this Meeting for the purpose of identification) in relation to (i) the proposed disposal of the 100% equity interests in Golden Yuxing by Yuxing Group (International) Limited ("**Yuxing International**") and 盛邦強點電子(中山)有限公司 (Sheng Bang Qiang Dian Electronics (Zhongshan) Company Limited), both of which are wholly-owned subsidiaries of the Company, to 華浩信聯(北京)投資有限公司 (Hua Hao Xin Lian (Beijing) Investment Co., Ltd.*), and (ii) the proposed repurchase(s) by Yuxing International or its designated entities of no more than 41 million but no less than 27 million "A" shares of 中國平安保險(集團)股份有限公司 (Ping An Insurance (Group) Company of China, Ltd.) which are listed on the Shanghai Stock Exchange (Stock code: 601318) ("**Ping An A Shares**") from 工布江達江南實業發展有限公司 (Gongbujiangda Jiangnan Industrial Development Co. Ltd.*) ("**JI**"), and all transactions contemplated under the Agreement, be and are hereby approved, confirmed and ratified;

(b) the directors of the Company (the "**Directors**") be and are hereby authorized to effect the Proposed Repurchase(s) for and on behalf of Yuxing International or its designated entities and to determine as they consider appropriate, without limitation, the number of batches of repurchases, the number of Ping An A Shares to be repurchased in each batch, the timing of each repurchase and the total number of Ping An A Shares to be repurchased, to do all such acts and things, execute all such documents and exercise all powers as he considers necessary or expedient or desirable in connection with, or to give effect to, the Agreement and to implement and/or give effect to the transactions contemplated thereunder including without limitation to the execution, amendment, supplement, delivery, waiver, submission and implementation of any further documents or agreements."

2. "**THAT**

(a) subject to the passing of the resolution numbered 1 as set out in the notice convening this meeting, Directors be authorised to exercise all the powers of the the Company and/or its subsidiaries (the "**Group**") to effect the disposal of the Group's interests in an aggregate of up to 14 million Ping An A Shares, being the difference between the maximum number of 41 million Ping An A Shares and the minimum of 27 million Ping An A Shares to be acquired by the Group under the proposed repurchase(s) ("**Proposed Repurchase(s)**") as referred to in the resolution numbered 1 as set out in the notice convening this meeting, to potential buyers (the "**Disposal Mandate**") during the Repurchase Period for facilitating subsequent Proposed Repurchase(s), and for such purpose the Directors are authorised and empowered to determine, decide, execute and implement with full discretion all matters relating to the disposals pursuant to the Disposal Mandate, including, without limitation, the number of batches of disposals, the number of Ping An A Shares to be sold in each disposal, the timing of each disposal, the manner of disposal (whether in the open market or through block trade(s)), the target purchasers and the selling price, subject to the following parameters:

(i) apart from disposal of the repurchased Ping An A Shares in the open market on the Shanghai Stock Exchange, the Group may also dispose of its holding of Ping An A Shares during the mandate period through block trade(s) to identified buyer(s) or by way of placing through open market sales placing agent(s); the terms and conditions of such block trade(s) or disposal will be negotiated on an arms' length basis;

(ii) the selling price per Ping An A Share that is to be sold (either through placing agent, brokerage or otherwise) in the open market or through block trade(s) shall represent no more than a 10% discount to the closing price of the Ping An A Shares on the Shanghai Stock Exchange on the last trading day immediately prior to the date of the relevant sale and purchase agreement, which was determined by the Board with reference to market practice for block trade(s) and the requirement for "A" shares companies to suspend trading if their share prices fluctuate by more than 10% from the previous closing prices; the Directors shall also take into account the then prevailing share price performance of Ping An A Shares and market sentiment in determining the selling price of the Ping An A Shares to be disposed of in the open market, through block trade(s) or by way of placing; and

(iii) whether the disposal is made in the open market, through block trade(s) or by way of placing, the minimum selling price per Ping An A Share shall not be less than the Repurchase Price per Ping An A Share (subject to adjustments to reflect the theoretical price of each Ping An A Share as a result of any increase or decrease in the share capital of Ping An including capitalisation of capital reserves and surplus reserves, distribution of stock dividends and reduction of share capital);

and on the basis that any proceeds arising from the exercise of the Disposal Mandate which will not be used for making subsequent Proposed Repurchase(s) of Ping An A Shares, for instance, as a result of the market price of each Ping An A Share being lower than the Repurchase Price per Ping An A Shares, will be utilised for other suitable investment opportunities as the Directors consider appropriate.

(b) the Directors be and are hereby authorised to do all such acts and things, execute all such documents and exercise all powers as he considers necessary or expedient or desirable in connection with, or to give effect to, the disposal of Ping An A Shares pursuant to the Disposal Mandate and to implement and/or give effect to the transactions contemplated thereunder including without limitation to the execution, amendment, supplement, delivery, waiver, submission and implementation of any further documents or agreements; and

(c) for the purpose of this Resolution:

(i) "Repurchase Period" means the 90 days after the date when the total consideration in respect of the disposal of Golden Yuxing is fully paid by the purchaser under the Agreement as referred to in the resolution numbered 1 as set out in the notice convening this meeting, to the vendors under the Agreement, as extended by the number of trading days for which the trading of the Ping An A Shares is suspended; and

(ii) "Repurchase Price per Ping An A Share" shall be RMB37.29 per Ping An A Share, calculated with reference to the aggregate trading value of Ping An A Shares for the 20 consecutive trading days prior to the date of the Agreement divided by the aggregate trading volume of Ping An A Shares for the 20 consecutive trading days prior to the date of the Agreement."

By Order of the Board
Yuxing InfoTech Investment Holdings Limited
Chen Fu Rong
Deputy Chairman

Hong Kong, 31st October 2013

Principal place of business in Hong Kong:
Unit 2107-8, 21/F
Exchange Tower
33 Wang Chiu Road
Kowloon Bay
Kowloon
Hong Kong

Notes:

1. For details of the resolutions, please refer to the circular of the Company dated 31st October 2013.

2. Any registered holder of the Shares (the "Member") entitled to attend and vote at the special general meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A Member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the special general meeting. A proxy need not be a Member.

3. In order to be valid, the instrument appointing a proxy and (if required by the board of directors of the Company) the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be delivered to the office of the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, 46th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding the special general meeting or adjourned meeting at which the person named in the instrument proposes to vote.

4. Delivery of an instrument appointing a proxy will not preclude a Member from attending and voting in person at the special general meeting convened and in such event, the instrument appointing a proxy shall be deemed to be revoked.

5. Pursuant to Rule 17.47(4) of the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all resolutions proposed at the special general meeting should be voted by poll.

* *For identification purposes only*