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YUXING INFOTECH INVESTMENT HOLDINGS LIMITED

裕興科技投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8005)

CONTINUING CONNECTED TRANSACTION

SERVICE AGREEMENT OF CHIEF EXECUTIVE OFFICER

Reference is made to the announcement of the Company dated 19th December 2016 in respect of Mr. Choo's resignation as an executive director and a member of the remuneration committee and the nomination committee of the Company which took effect on 20th December 2016. Despite resigning as an executive director of the Company, Mr. Choo remains as the CEO. The Board is pleased to announce that on 30th December 2016, the Company entered into a Service Agreement with Mr. Choo for a fixed term of two years commencing from 1st April 2017 to 31st March 2019.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Mr. Choo is the CEO and is therefore considered as a chief executive under rule 1.01 of the GEM Listing Rules and a connected person under rule 20.07(1) of the GEM Listing Rules. Accordingly, the entering into of the Service Agreement constitutes a continuing connected transaction of the Company under the GEM Listing Rules.

As the applicable percentage ratios (other than the profits ratio and the revenue ratio) as defined under the GEM Listing Rules in respect of the annual caps under the Service Agreement are more than 0.1% but less than 5%, the entering into of the Service Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders' approval requirement under Chapter 20 of the GEM Listing Rules.

Reference is made to the announcement of Yuxing InfoTech Investment Holdings Limited (the "**Company**") dated 19th December 2016 in respect of the resignation of Mr. Kevin Choo ("**Mr. Choo**") as an executive director and a member of the remuneration committee and the nomination committee of the Company which took effect on 20th December 2016. Despite resigning as an executive director of the Company, Mr. Choo remains as the Chief Executive Officer of the Company (the "**CEO**"). On 30th December 2016, the Company entered into a service agreement (the "**Service Agreement**") with Mr. Choo for a fixed term of two years commencing from 1st April 2017 to 31st March 2019.

THE SERVICE AGREEMENT

The Company and Mr. Choo entered into the existing service agreement on 4th November 2015 which is due to expire on 31st March 2017. To continue with Mr. Choo's service, the Company and Mr. Choo entered into the Service Agreement for a fixed term of two years commencing from 1st April 2017 to 31st March 2019 (the "**Term**").

Under the Service Agreement, Mr. Choo is entitled to a remuneration package in the annual total amount of HK\$6,260,000 (including other allowances) ("**Remuneration Package**") plus, at the absolute discretion of the Company and subject always to compliance with the requirements 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**"), a management discretionary bonus, which shall be determined with reference to his duties, responsibilities and experience, and to prevailing market conditions. He is entitled to the medical benefits and is to participate in an accident insurance scheme and statutory retirement scheme and a pension fund scheme which is funded by the Company. The Company, may, at the sole discretion and determination of the board of directors of the Company (the "**Board**") and recommendation of the remuneration committee of the Company, grant options to Mr. Choo to subscribe for shares in the Company in accordance with the share options schemes adopted by the Company from time to time.

Upon expiration of the Term of the Service Agreement, Mr. Choo shall be entitled to have a package bonus of HK\$4,600,000 ("**Package Bonus**") and a relocation allowance of up to HK\$100,000 ("**Relocation Allowance**").

The Service Agreement may be terminated by either party thereto giving to the other party two-months' prior notice in writing or payment in lieu of such notice and provided that if the Service Agreement is terminated by the Company before the end of the Term of the Service Agreement, Mr. Choo shall be entitled to the remaining unpaid portion of the Remuneration Package, the Package Bonus and the Relocation Allowance. The maximum amount which may be payable to Mr. Choo if the Company terminates in the first and second year of the Term of the Service Agreement is therefore HK\$17,220,000 and HK\$10,960,000 respectively.

ANNUAL CAPS AMOUNTS AND BASIS OF DETERMINATION

For the purposes of the GEM Listing Rules, the annual caps for the maximum total amount payable to Mr. Choo under the Service Agreement are set out as follows:

For the period from 1st April 2017 to 31st March 2018	For the period from 1st April 2018 to 31st March 2019
HK\$17,220,000	HK\$10,960,000

The maximum total amount payable to Mr. Choo (including in the event of early termination) under the Service Agreement shall be subject to the above annual caps, which are determined with reference to the amount and terms of payment of the Remuneration Package, Package Bonus and Relocation Allowance. Any amounts made in excess of the above caps will be subject to compliance with the requirements of the GEM Listing Rules including if necessary obtaining prior independent shareholders' approval.

REASON FOR AND BENEFITS OF ENTERING INTO THE SERVICE AGREEMENT

The Company and its subsidiaries is a conglomerate which combines commercial enterprise with investments and is currently mainly engaged in information home appliances, investing and trading.

The directors of the Company (the “**Directors**”) consider that it is in the interest of the Company for Mr. Choo to remain as the CEO in order to maintain the continuity of the management. Therefore, the Board considers that the entering into of the Service Agreement is in the interest of the Company.

The terms of the Service Agreement including the Remuneration Package have been determined after considering factors including the job responsibilities of Mr. Choo, his background, experience and qualification and the level of remuneration of persons in comparable positions with similar roles. The Directors (including the independent non-executive Directors) consider that the entering into of the Service Agreement is in the normal and usual course of business of the Company and on normal commercial terms, the terms of the Service Agreements are fair and reasonable and in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

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As the applicable percentage ratios (other than the profits ratio and the revenue ratio) as defined under the GEM Listing Rules in respect of the annual caps under the Service Agreement are more than 0.1% but less than 5%, the entering into of the Service Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent shareholders’ approval requirement under Chapter 20 of the GEM Listing Rules.

As no Director has a material interest in respect of the transaction under the Service Agreement, none of the Directors is required to abstain from voting on the relevant Board resolutions concerning the approval of the Service Agreement.

By order of the Board
Yuxing InfoTech Investment Holdings Limited
Zhu Wei Sha
Chairman

Hong Kong, 30th December 2016

* *For identification purposes only.*

As at the date hereof, the executive Directors are Mr. Zhu Wei Sha, Mr. Li Qiang, Mr. Shi Guang Rong, Mr. Zhu Jiang and Mr. Gao Fei; the independent non-executive Directors are Ms. Shen Yan, Mr. Zhong Peng Rong and Mr. Wu Jia Jun.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication and on the website of the Company at www.yuxing.com.cn.