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YUXING INFOTECH INVESTMENT HOLDINGS LIMITED

裕興科技投資控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 8005)

MAJOR TRANSACTION RELATING TO ACQUISITION OF THE SALE SHARES

THE SALE AND PURCHASE AGREEMENT

The Board is pleased to announce that on 26 June 2017 (after trading hours), Noble Rich, a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Vendor and the Guarantor, pursuant to which the Vendor has agreed to sell and Noble Rich has agreed to acquire the Sale Shares at a consideration of US\$43 million subject to adjustments. The principal asset of the Target Company and the Target Subsidiary is the Land and Property in the PRC.

GEM LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios under Chapter 19 of the GEM Listing Rules exceeds 25% but is less than 100%, the Proposed Acquisition constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirement under the GEM Listing Rules.

THE SGM

The SGM will be convened to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder. To the best of information, knowledge and belief of the Directors, as at the date of this announcement, none of the Shareholders is required to abstain from voting in respect of any resolution for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder at the SGM.

A circular containing further information on the Sale and Purchase Agreement and the transactions contemplated thereunder together with a notice of the SGM will be sent to the Shareholders as soon as possible and within fifteen (15) business days from the date of this announcement.

* *for identification purpose only*

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THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are as follows:

Date	26 June 2017
Purchaser	Noble Rich, a wholly-owned subsidiary of the Company
Vendor	Phoenix Bridge International Holdings Group Investment Co., Limited (鳳凰橋國際控股投資有限公司)
Guarantor	WANG Dade (王大德)
Target Company	Indeed Holdings Limited, a company incorporated in the British Virgin Islands with limited liability
Shares to be acquired	30,000,000 shares representing the entire issued share capital of the Target Company
Land and Property to be acquired	<p>The principal asset of the Target Company and the Target Subsidiary is the Land and Property in the PRC. The Land and Property consists of:</p> <ul style="list-style-type: none">(a) the land situated at 上海市閔行區新源路1188號 (No. 1188, Xin Yuan Road, Minhang District, Shanghai City, PRC) and with an area of approximately 62,634 square metres (the “Land”); and(b) the factory building with an area of approximately 54,930.56 square metres erected on the Land.
Consideration	<p>The consideration payable to the Vendor shall be US\$43,000,000, which shall be payable and adjusted by the Purchaser to the Vendor in the following manner (or such other means as may be agreed between the parties):–</p> <ul style="list-style-type: none">(a) as to US\$27,950,000 in cash as refundable deposit (the “Deposit”) within three (3) business days upon signing of Sale and Purchase Agreement, which shall be paid into an account specified by the Vendor and shall on Completion be applied in and towards payment of the Consideration; and(b) as to the remaining balance of US\$15,050,000 of the Consideration, subject to the adjustments.

Upon signing of the Sale and Purchase Agreement, the Vendor shall deliver or procure to deliver a share pledge deed in respect of all the Sale Shares executed in favour of the Purchaser for securing the refund of the Deposit.

The Consideration was agreed after arm's length negotiations between the Purchaser and the Vendor with reference to, among other things, the fair value of the Land and Property as at 31 March 2017 of approximately RMB320,100,000 as assessed by an independent professional valuer appointed by the Purchaser.

Adjustments

Vendor shall provide details of the items (a) to (d) as set out below to the Purchaser updated as at five (5) business days before the date of Completion within two (2) business days before the date of Completion (or other dates as the parties may agree in writing).

The remaining balance of US\$15,050,000 of the Consideration will be subject to the following adjustments and shall be paid to the Vendor at Completion:

- (a) adjusted upwards by the amount in the bank deposit balance (in RMB and USD) excluding the rental prepayment by the Tenant to the Target Company for the months of June to August 2017;
- (b) in respect of the rental prepayment received by the Target Company for the months of June to August 2017, adjusted upwards by the amount of rental repayment up to the date of Completion (including the date of Completion) and calculated on a pro rata basis;
- (c) adjusted upwards by the amount of the water and electricity supply fee paid by the Target Subsidiary on behalf of the Tenant before the date of Completion; and
- (d) adjusted downwards by the amount of accounts payable in relation to the rental deposit paid by the Tenant.

Conditions precedent

The completion of the Sale and Purchase Agreement is conditional upon, among others:

- (a) the passing by the requisite majority of Shareholders at the SGM of all resolutions required under the GEM Listing Rules to approve the transactions contemplated under the Sale and Purchase Agreement, including without limitation the sale and purchase of the Sale Shares;
- (b) compliance by the Company of all applicable requirements under the GEM Listing Rules in respect of the Sale and Purchase Agreement and the transactions contemplated thereunder;

- (c) the due diligence and investigation of the Target Group, the Land and Property carried out pursuant to the Sale and Purchase Agreement having been completed to the satisfaction of the Purchaser in its sole discretion;
- (d) the Purchaser having obtained (i) a PRC legal opinion to the satisfaction of the Purchaser; and (ii) a certificate of incumbency issued by the BVI agent of the Target Company confirming due incorporation and valid existence of the Target Company;
- (e) all approvals from the governments and relevant authorities in relation to the Land and Property having been obtained;
- (f) the Purchaser having obtained confirmations from the Vendor confirming that as at Completion, (i) it is not aware of any matter or thing which is in breach or inconsistent with any of the warranties as set out under the Sale and Purchase Agreement; and (ii) there was no material adverse change or effect in respect of the financial or trading position of any member of the Target Group since the date of the Sale and Purchase Agreement;
- (g) the representations made by and the warranties given by the Vendor and the Guarantor remain true and accurate as at Completion;
- (h) no litigation or claim having arisen in respect of any Target Group prior to Completion other than those disclosed in the Sale and Purchase Agreement; and
- (i) the provision by the Vendor of all financial information relating to the Target Company and the Target Subsidiary, such information being absolutely satisfactory to the Purchaser.

The Purchaser reserves the right to waive any conditions except for conditions (a) and (b) above.

If any condition above has not been fulfilled or waived on or before the date of Completion, Sale and Purchase Agreement shall be terminated pursuant to the provisions under the Sale and Purchase Agreement and the Deposit shall be returned to the Purchaser within five (5) business days after the date on which the Sale and Purchase Agreement was terminated and shall execute documents as necessary for releasing the share pledge in respect of all the Sale Shares within five (5) business days upon receipt of the refund of the Deposit.

- Guarantee
- The Guarantor, being the sole shareholder of the Vendor, unconditionally and irrevocably:
- (a) guarantees by way of continuing obligation to the Purchaser as primary obligor, and not merely as surety, the due and punctual payment of all amounts payable by the Vendor under the Sale and Purchase Agreement (including but not limited to the refund of the Deposit); and
 - (b) undertakes to the Purchaser to procure the due and punctual performance by the Vendor of all its other obligations contained or implied in the Sale and Purchase Agreement.

Completion

Completion shall take place on the third business day after all the conditions to the Sale and Purchase Agreement are fulfilled or waived.

INFORMATION ON THE TARGET GROUP

The Target Company is principally engaged in investment holding and the Target Subsidiary owns the Land and Property. The Land and Property has been leased by the Target Subsidiary to an independent third party for a term of ten (10) years commencing from 1 March 2017 to 1 March 2027 as an internet data centre with a monthly rental income of RMB2.1 million from 1 March 2017 to 28 February 2022, and approximately RMB2.33 million from 1 March 2022 to 1 March 2027.

The consolidated management accounts of the Target Group for the two financial years ended 31 December 2015 and 31 December 2016 are as follows:

Results	Year ended 31 December 2015 (unaudited) RMB'000	Year ended 31 December 2016 (unaudited) RMB'000
Revenue	8,542	29,206
(Loss)/profit before tax	(32,392)	27,785
(Loss)/profit after tax	(32,392)	27,785
		As at 31 December 2016 (unaudited) RMB'000
Total assets		360,740
Net assets		353,359

INFORMATION ON THE VENDOR

The Vendor is a company incorporated in the Hong Kong with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the Vendor, Guarantor and its ultimate beneficial owners is an Independent Third Party.

The Vendor is principally engaged in investment holding. The Guarantor is the sole shareholder of the Vendor.

INFORMATION ON THE GROUP

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 leasing of properties.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is an investment holding company and the Group is a conglomerate which combines commercial enterprise with investments. The Group is principally engaged in information home appliances, investing and leasing of properties.

The Directors consider that the acquisition will enlarge the Group's leasing portfolio and strengthen its leasing business. The Group's source of income will potentially increase the Group's revenue and enhance the Group's profitability and value to the Shareholders. The Group also expects that the value of the Land and Property will appreciate in the long run. Therefore, the Directors consider that the entering into of the Sale and Purchase Agreement is in the interest of the Company.

The terms of the Sale and Purchase Agreement were determined after arm's length negotiations between the Purchaser and the Vendor with reference to the valuation conducted by an independent professional valuer. The Directors consider that the Sale and Purchase Agreement and the Proposed Acquisition are in the normal and usual course of business of the Group and on normal commercial terms that the Proposed Acquisition is fair and reasonable and is in the interests of the Shareholders as a whole.

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THE SGM

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DEFINITIONS

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

“Board”	the board of Directors of the Company
“BVI”	the British Virgin Island
“Company”	Yuxing InfoTech Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the GEM (stock code: 8005)
“Completion”	Completion of the Sale and Purchase Agreement in accordance with its terms
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration payable by the Purchaser to the Vendor in accordance with the Sale and Purchase Agreement
“Director(s)”	the director(s) of the Company
“GEM”	The Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Guarantor”	Wang Dade (王大德), the sole shareholder of the Vendor
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a third party who is independent of, and not connected with, any connected person of the Company and not a connected person of the Company
“Noble Rich” or “Purchaser”	Noble Rich Investment Limited (貴寶投資有限公司), a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company

“Land and Property”	the property, consist of: <ul style="list-style-type: none"> (a) the land situated at 上海市閔行區新源路1188號 (No. 1188, Xin Yuan Road, Minhang District, Shanghai City, PRC) and with an area of approximately 62,634 square metres; and (b) the factory building with an area of approximately 54,930.56 square metres erected on the land.
“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macau and Taiwan)
“Proposed Acquisition”	the proposed acquisition of the Sale Shares by the Purchaser pursuant to the Sale and Purchase Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the agreement dated 26 June 2017 entered into between the Purchaser, the Vendor and the Guarantor in relation to the Proposed Acquisition
“Sale Shares”	30,000,000 shares legally and beneficially owned by the Vendor, representing the entire issued share capital of the Target Company
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“Shareholder(s)”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Indeed Holdings Limited, a company incorporated in British Virgin Islands with limited liability
“Target Group”	the Target Company and the Target Subsidiary
“Target Subsidiary”	上海一鼎電子科技有限公司 (Shanghai Yiding Electronic Technology Company Limited), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Target Company
“Tenant”	the tenant of the Land and Property
“Vendor”	Phoenix Bridge International Holdings Group Investment Co., Limited (鳳凰橋國際控股投資有限公司), a company incorporated in Hong Kong with limited liability and an independent third party

“US\$” or “USD”	United States dollars, the lawful currency of the United States of America
“sq.m.”	square metre
“%”	per cent.

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

Hong Kong, 26 June 2017

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

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

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