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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)**

### **DISCLOSEABLE TRANSACTION SUBSCRIPTION OF INTEREST IN LIMITED PARTNERSHIP**

#### **THE INVESTMENT**

On 25 July 2017, the Subscriber has committed to make the Investment of HK\$200 million in the Fund, namely iSun Global Restructuring-led Partnership Fund I LP, by way of a subscription for a limited partnership interest in the Fund. The Investment would be made by the Subscriber in accordance with the Investment Agreements comprising principally the Subscription Agreement, the Limited Partnership Agreement and the Side Letter. iSun (which is the general partner of the Fund) and the Subscriber are parties to the Investment Agreements.

The Fund has been established in the Cayman Islands as exempted limited partnership, with the principal objective of primarily target investments in public or private companies in the data center, fintech or high tech (software and hardware) sectors. The Fund will be managed by iSun, the general partner of the Fund.

#### **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Investment are more than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements applicable to discloseable transaction under Chapter 19 of the GEM Listing Rules.

## **THE INVESTMENT AGREEMENTS**

### **Date and parties**

On 25 July 2017, the Subscriber has committed to make the Investment of HK\$200 million in the Fund, namely iSun Global Restructuring-led Partnership Fund I LP, by way of a subscription for a limited partnership interest in the Fund. The Investment would be made by the Subscriber in accordance with the Investment Agreements comprising principally the Subscription Agreement, the Limited Partnership Agreement and the Side Letter. iSun (which is the general partner of the Fund) and the Subscriber are parties to the Investment Agreements.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, iSun and its ultimate beneficial owners are independent third parties independent of and not connected with the Company and its connected person.

### **The Subscription and consideration**

Under the Subscription Agreement, the Subscriber agrees to subscribe for an interest in the Fund as a Limited Partner.

A capital commitment of HK\$200 million which was determined with reference to the capital requirement of the Fund, the parties' contribution intentions after negotiation among the parties after taking into account various factors, including the possible investment return of the Fund, the financial position and resources available and the investment opportunities expected to be available. This will be funded by the Group's internal resources.

### **Conditions precedent of the Subscription**

The Fund's obligations under the Subscription Agreement are subject to acceptance by iSun of the Subscriber's subscription and to the fulfilment, prior to or at the time of Closing (as defined below), of each of the following conditions:

- (a) the representations and warranties of the Subscriber contained in the Subscription Agreement shall be true and correct at the time of Closing (as defined below); and
- (b) all proceedings in connection with the transactions contemplated hereby and all documents and instruments incident to such transactions shall be satisfactory in substance and form to iSun and iSun shall have received all such counterpart originals or certified or other copies of such documents as iSun may request.

## **Acceptance of the Subscription and closing of the Subscription**

The Subscription is made subject to the following terms and conditions:

- (a) iSun shall have the right to review the suitability of any person desiring to purchase an interest of the Fund and, in connection with such review, to waive such suitability standards as to such person as iSun deems appropriate under applicable law;
- (b) iSun shall have the right, in its sole and absolute discretion, to reject the Subscription, in whole or in part;
- (c) acceptance of the Subscription shall take place when accepted by iSun and at such time the Subscriber shall be admitted to the Fund as a Limited Partner (the “**Closing**”);
- (d) iSun shall have no obligation to accept subscriptions in the order received;
- (e) the Subscriber requests and authorises iSun to execute the Limited Partnership Agreement as the Subscriber’s attorney-in-fact pursuant the Subscription Agreement and to enter the Subscriber’s name on the Limited Partnership Agreement as holder of the interest in the Fund. In connection with such acceptance and admission, iSun (acting in its sole and absolute discretion) may determine the amount of the Subscriber’s commitment; provided, however, that such amount shall not in any event exceed capital commitment of HK\$200 million;
- (f) the interest in the Fund to be created on account of the Subscription shall be created only in the name of the Subscriber, and the Subscriber agrees to comply with the terms of the Limited Partnership Agreement and to execute any and all further documents necessary in connection with becoming a Limited Partner of the Fund; and
- (g) the Subscriber undertakes in respect of the interest in the Fund that the Subscriber shall comply with any and all the restrictions on transfer of the interest in the Fund contained in the Limited Partnership Agreement.

**The principal terms of the Investment as supplemented and altered by the Side Letter are as follows:**

### **Name of Investment Fund**

iSun Global Restructuring-led Partnership Fund I LP

### **Term of the Fund**

The term of the Fund commenced on 25 July 2017 and shall continue until the 5th anniversary of the Closing Date unless sooner terminated or extended in accordance with the terms of the Limited Partnership Agreement.

## **Board of advisers**

The General Partner agrees that the Subscriber shall have the right, together with its affiliates (if any), (a) to designate one (1) suitably qualified member to the board of advisers of the Fund; and (b) to remove any such designee as a member of the board of advisers of the Fund if the Subscriber so directs and to fill such vacancy with another suitably qualified person designated by the Subscriber.

## **Yuxing priority co-investment right**

The Subscriber has an interest in participating in any co-investment opportunity of the Fund that arise from time to time and which may be offered by the General Partner pursuant to the Limited Partnership Agreement (“**Co-Investment Opportunity**”).

In the event the Fund is presented with Co-Investment Opportunities during the commitment period of the Fund, the General Partner shall use its commercially reasonable efforts to offer to the Subscriber (and its affiliates) the opportunity to take up at Co-Investment Opportunities. To the extent the General Partner offers any such Co-Investment Opportunities to the Subscriber, (i) such opportunities shall be at the same price and on terms and conditions that are no less favorable to the Subscriber than the terms and conditions on which the Fund invests; and (ii) neither the Subscriber nor any of its affiliates participating in such co-investment shall be charged any carried interest or any management fee by the General Partner (or its affiliates) in connection with such co-investment.

Upon the Subscriber’s confirmation to take up a portion of a Co-Investment Opportunity, the Subscriber shall agree to pay its pro rata portion of the fees and expenses reasonably incurred in order to document the Subscriber’s proposed participation in such Co-Investment Opportunity.

## **Management fee**

iSun is the fund manager of the Fund. An annual management fee will be payable by the Fund to iSun. In each accounting period of the Fund, the management fee shall equal to 2% per annum of the capital contributions reduced by the total acquisition cost of all investments that are realised.

## **Profit Distribution**

After the payment of or provision for (a) fees, costs and expenses; (b) the management fee; and (c) working capital requirements of the Fund or any liabilities howsoever arising, all income and capital shall be distributed as follows:

- (i) first, 100% to each Limited Partner until the cumulative amount distributed to such Limited Partner (taking into account all prior distributions made to the relevant Limited Partner) is equal to such Limited Partner’s aggregate capital contributions; and
- (ii) second, 75% to the Limited Partners pro rata to their respective capital contribution and 25% to iSun.

## **Transfer of limited partnership interest in Fund**

No sale, assignment, transfer, exchange, pledge, encumbrance or other disposition or grant of any participation of all or any part of any Limited Partner’s interest (including any ultimate beneficial interest or any economic interest) in the Fund, whether voluntary or involuntary shall be valid or effective without the prior written consent of iSun (such consent not to be unreasonably withheld).

## **INFORMATION ON THE FUND**

The Fund is a Cayman Islands exempted limited partnership registered under the Exempted Limited Partnership Law (as amended) of the Cayman Islands with the principal objective of primarily target investments in public or private companies in the data center, fintech or high tech (software and hardware) sectors. The Fund will be managed by iSun, the general partner of the Fund.

Based on information provided by iSun, the Fund has not yet commenced operations before the Subscriber entered into the Investment Agreements.

## **INFORMATION ON ISUN AND THE LIMITED PARTNER**

### **iSun**

The business of iSun is to manage the Fund, and iSun has exclusive responsibility for the management and control of the business and affairs of the Fund, subject to the terms and conditions set forth in the Limited Partnership Agreement of the Fund.

### **Limited Partner**

To the best knowledge, information and belief of the Directors, as at the date of this announcement, the Subscriber is the only Limited Partner.

## **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 INVESTMENT**

The Board believes that the Investment represents a good investment opportunity taking into account the existing market conditions and business outlook as the Company anticipates a reasonable return in the medium term from the Investment as a result of the performance of the Fund.

The Board (including the independent non-executive Directors) considers that the terms of the Investment are fair and reasonable, are on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios in respect of the Investment are more than 5% but less than 25%, the Investment constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements applicable to discloseable transaction under Chapter 19 of the GEM Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings when used herein:

“Board”	the board of Directors
“Closing Date”	the date upon which investors are first admitted as Limited Partners, by iSun accepting the applications for subscription executed by such Limited Partners with the aggregate commitments of such Limited Partners to equal or exceed HK\$200 million at such time
“Company”	Yuxing InfoTech Investment Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on GEM
“connected person(s)”	has the meaning ascribed thereto in the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Fund”	iSun Global Restructuring-led Partnership Fund I LP, an exempted limited partnership incorporated in the Cayman Islands
“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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Investment”	the subscription for a limited partnership interest in the Fund by the Subscriber with a capital commitment of HK\$200 million pursuant to the Investment Agreements
“Investment Agreement”	collectively, the Subscription Agreement, the Limited Partnership Agreement and the Side Letter
“iSun”	iSun GP I Limited, an exempted limited partnership incorporated in the Cayman Islands, the general partner of the Fund

“Limited Partners”	the limited partners of the Fund as at the date of this announcement
“Limited Partnership Agreement”	the amended and restated exempted limited partnership agreement dated 25 July 2017 entered into between iSun and the Limited Partners to govern their relationship and provide for (among others) the manner of operation and management of the Fund
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Share(s)”	the ordinary share(s) of nominal value of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Side Letter”	the side letter dated 25 July 2017 entered into between the Subscriber and iSun to supplement and alter certain terms contained in the Limited Partnership Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Harmony Wealthy Investments Limited (和裕投資有限公司), a company incorporated in the British Virgin Islands with limited liability, a wholly owned subsidiary of the Company and the subscriber under the Subscription Agreement
“Subscription”	the subscription of limited partnership interest in the Fund by the Subscriber under the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 25 July 2017 signed by the Subscriber and accepted by the Fund (acting through iSun) with respect to the subscription of the limited partnership interest in the Fund
“%”	per cent

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

Hong Kong, 25 July 2017

\* *For identification purpose only*

*As at the date hereof, 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 the GEM website at [www.hkgem.com](http://www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company at [www.yuxing.com.cn](http://www.yuxing.com.cn).*