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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 JOINT INVESTMENT

On 4th April 2018, Grand Choice, a wholly-owned subsidiary of the Company, and the JV entered into the Joint Investment Agreement pursuant to which Grand Choice has agreed to subscribe for 40,000,000 ordinary shares in the JV at a consideration of US\$40,000,000 (equivalent to approximately HK\$312 million) (which will represent 1.70% of the JV's enlarged equity interest following completion of Subscription). The JV is a holding company that invests in the Target Company which is a telecommunication related infrastructure provider.

GEM LISTING RULES IMPLICATIONS

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

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THE JOINT INVESTMENT AGREEMENT

A summary of the principal terms of the Joint Investment Agreement are as follows:

Date

4th April 2018

Parties

- (i) Grand Choice, a wholly-owned subsidiary of the Company; and
- (ii) the JV.

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiry, the JV and its ultimate beneficial owners are Independent Third Parties.

The Subscription

Pursuant to the Joint Investment Agreement, Grand Choice has agreed to subscribe for 40,000,000 ordinary shares in the JV at a consideration of US\$40,000,000 (equivalent to HK\$312 million) (which will represent 1.70% of the JV's enlarged equity interest following completion of Subscription). In addition to the Subscription by Grand Choice, there will also be other subscribers who will subscribe for ordinary shares in the JV. Grand Choice and other subscriber will subscribe for a total of not more than 2,350,000,100 ordinary shares in the JV at a subscription price of US\$1 per share ("Joint Investments").

Grand Choice and other subscribers agree that the total subscription amount of not more than US\$2,350,000,100 (equivalent to approximately HK\$18,330 million) will be used to invest in the Target Company in accordance with the terms of the Joint Investment Agreement.

The capital contribution of Grand Choice and other subscribers will only limit to the amount of subscription made to the JV. JV will use external financing to fund the rest of its financial needs in relation to the acquisition of equity interest in the Target Company from the Target Company Seller.

The amount of Subscription was determined after arm's length negotiations with the JV with reference to, among other things, the capital requirement of the JV and the development potential and future prospects of the Target Company. The amount to be paid by Grand Choice will be satisfied by internal resources of the Group.

It is expected that the results of the JV will not be consolidated into the financial statements of the Group and the Subscription will not have any immediate impact on the Group's consolidated income statement.

Conditions Precedent

Completion of Joint Investments is conditional upon the fulfillment of the following conditions:

- (a) Grand Choice, other subscribers and the JV having satisfied with the financial, legal and tax due diligences against the Target Company; and
- (b) the JV having signed a sale and purchase agreement with the Target Company Seller in respect of the acquisition of 24.99% equity interest in the Target Company.

All conditions precedent may be waived by the subscribers.

Completion of Joint Investments is to take place on the fourteenth Business Day after the date of fulfilment (or waiver) of the conditions precedent or such other date to be agreed by the subscribers and the JV.

The JV and the Target Company

The JV was incorporated in April 2017 in the BVI and is a holding company that invests in the Target Company which is a telecommunication related infrastructure provider. Prior to the Subscription by Grand Choice and subscription by other subscribers, the JV has authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1 each and it has 100 ordinary shares in issue. As at the date of the announcement, the JV is an investment holding company and has not commenced any investment, and therefore does not have any profits.

INFORMATION ON GRAND CHOICE AND THE GROUP

Grand Choice is a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in investment holding.

The Group is a conglomerate which combines commercial enterprise with investments and is currently mainly engaged in information home appliances, internet data centre, investing and leasing of properties.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

The investment in the Target Company through holding equity interests in the JV is consistent with the Group's plan to grow its business. As discussed in the Company's announcement dated 2 February 2018, the Company proposes to construct an IDC over its land situated in San Jose California USA and lease out the IDC in return for lease income. The entering into the Joint Investment Agreement represents a good investment opportunity for the group to increase its exposure to telecommunication related infrastructure which is expected to increase the Group's revenue and enhance the Group's profitability and value to Shareholders.

In view of the above, the Board considers that the terms of the Subscription and entering into of the Joint Investment Agreement is in the interests of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

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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
“Business Day”	any day (other than a Saturday or a Sunday and statutory holidays) on which banks are open for general banking business in Hong Kong or the PRC
“BVI”	the British Virgin Islands
“Company”	Yuxing InfoTech Investment Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on GEM (Stock Code: 8005)
“connected person(s)”	has the same meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	The GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Grand Choice”	Grand Choice Developments Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the GEM Listing Rules)
“Joint Investment Agreement”	the Joint Investment Agreement entered into between Grand Choice and the JV dated 4th April 2018

“JV”	Strategic IDC Limited, a company incorporated in the BVI with limited liability
“Share(s)”	the ordinary share(s) of HK\$0.025 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	a company operating basic telecommunication business in various countries/region
“Target Company Seller”	a company incorporated in the BVI with limited liability which holds 49% in the Target Company
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent.

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

Hong Kong, 4th April 2018

* *For identification purpose only.*

For the purpose of this announcement, translation of US\$ into HK\$ is made for illustration purpose only at the exchange rate of US\$1.00 to HK\$7.8.

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

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 Company’s website at www.yuxing.com.cn.