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## THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in doubt** as to any aspect of this circular, 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 Holdings Limited (the “Company”), you should at once hand this circular and the accompanying proxy form to the purchaser or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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## YUXING INFOTECH HOLDINGS LIMITED

裕興科技控股有限公司\*

*(incorporated in Bermuda with limited liability)*

**(Stock Code: 8005)**

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
REFRESHMENT OF THE SCHEME MANDATE LIMIT  
UNDER SHARE OPTION SCHEME  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of the Company to be held at the second meeting room, 2nd Floor, R/D Complex Building, Tsinghua Hi-Tech Co., Ltd, Tsinghua Hi-Tech Park, Hi-Tech Industrial Park (North), Nanshan, Shenzhen, China on Thursday, 26th June 2008 at 2:30 p.m. is set out in Appendix III to this circular.

A form of proxy for the annual general meeting of the Company is enclosed with this circular. If you do not propose to attend the annual general meeting of the Company, 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 annual general meeting of the Company or any adjourned meeting. Completion and delivery of the proxy form will not preclude you from attending and voting at the annual general meeting of the Company or any adjourned meeting if you so wish.

This circular 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).

\* *For identification purposes only*

28th May 2008

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## CHARACTERISTICS OF GEM

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**GEM has been established as a market designed to accommodate companies to which a high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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.**

**The principal means of information dissemination on GEM is publication on the internet website operated by the Exchange. Listed companies are not generally required to issue paid announcements in Gazetted Newspapers. Accordingly, prospective investors should note that they need to have access to the GEM Website in order to obtain up-to-date information on GEM-listed issuers.**

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## DEFINITIONS

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*In this circular, the following expressions have the meanings respectively set opposite them unless the context otherwise requires:*

“2007 Annual Report”	the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended 31st December 2007
“AGM”	the annual general meeting of the Company to be held at the second meeting room, 2nd Floor, R/D Complex Building, Tsinghua Hi-Tech Co., Ltd, Tsinghua Hi-Tech Park, Hi-Tech Industrial Park (North), Nanshan, Shenzhen, China on Thursday, 26th June 2008 at 2:30 p.m.
“Company”	Yuxing InfoTech Holdings Limited, a company incorporated in Bermuda with limited liability and whose Shares are listed on GEM
“Directors”	directors of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	the listing sub-committee of the board for GEM
“GEM Listing Rules”	Rules Governing the Listing of Securities on GEM as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Non-executive Directors”	the independent non-executive Directors of the Company
“Latest Practicable Date”	26th May 2008, being the latest practicable date for the ascertaining of certain information in this circular prior to the printing of this circular
“New Issue Mandate”	the general mandate to exercise the power of the Company to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company (325,588,000 Shares) as at the date of passing of the resolution approving such mandate

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## DEFINITIONS

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“PRC”	the People’s Republic of China (excluding Hong Kong, Macau and Taiwan)
“Previous Scheme”	the share option scheme adopted by the Company on 18th January 2000 and terminated on 18th May 2003
“Refreshed Limit”	the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company, being 10% of the Shares in issue as at the date of approving such Refreshed Limit by the Shareholders passing an ordinary resolution at the AGM
“Repurchase Mandate”	the general mandate to exercise the power of the Company to repurchase Shares up to a maximum of 10% of the issued share capital of the Company as at the date of passing of the resolution approving such mandate
“Scheme Mandate Limit”	the maximum number of Shares which may be issued upon exercise of all options granted or to be granted under the Share Option Scheme and any other scheme(s) of the Company, being 10% of the Shares in issue on 21st May 2003, being the adoption date of the Share Option Scheme
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	share(s) of nominal value of HK\$0.025 each in the share capital of the Company
“Share Option Scheme”	the share option scheme adopted by the Company on 21st May 2003
“Shareholders”	holders of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers as amended from time to time

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# LETTER FROM THE BOARD OF DIRECTORS

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## YUXING INFOTECH HOLDINGS LIMITED

裕興科技控股有限公司\*

(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

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM 11

Bermuda

*Independent Non-executive Directors:*

Wu Jia Jun

Zhong Peng Rong

Shen Yan

*Principal place of business*

*in Hong Kong:*

Unit 1808, 18th Floor

Tower III

Enterprise Square

9 Sheung Yuet Road

Kowloon Bay

Kowloon

Hong Kong

28th May 2008

*To the Shareholders and for information only,  
the holders of Share options of the Company*

Dear Sir or Madam,

**GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES  
AND  
REFRESHMENT OF THE SCHEME MANDATE LIMIT  
UNDER SHARE OPTION SCHEME  
AND  
RE-ELECTION OF RETIRING DIRECTORS  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

### INTRODUCTION

At the AGM, resolutions will be proposed to approve, inter alia, the following:

- (a) the grant to the Directors of a general mandate to allot, issue and deal with Shares not exceeding 20% of the aggregate of the total nominal value of the share capital of the Company in issue at the date of passing such resolution;

\* For identification purposes only

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## LETTER FROM THE BOARD OF DIRECTORS

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- (b) the grant to the Directors of a general mandate to repurchase Shares not exceeding 10% of the aggregate of the total nominal value of the share capital of the Company in issue at the date of passing such resolution; and
- (c) to add to the mandate for issuing Shares set out in (a) above the number of Shares repurchased by the Company pursuant to the repurchase mandate set out in (b) above.

The abovementioned general mandates were granted to the Directors at the annual general meeting of the Company held on 18th May 2007 and will expire at the conclusion of the AGM and the purpose of this circular is to provide you with information in respect of the New Issue Mandate and Repurchase Mandate to enable you to make a decision on whether to vote for or against the relevant resolutions at the forthcoming AGM.

### **NEW ISSUE MANDATE**

At the AGM, an ordinary resolution will be proposed which, if passed, will give the Directors the New Issue Mandate, details of which are set out in ordinary resolution no. 4 in the notice of the AGM. In addition, conditional upon the proposed resolution to grant to the Directors the Repurchase Mandate being passed, an ordinary resolution will be proposed to authorise the Directors to allot and issue securities of the Company up to an amount equal to the aggregate nominal amount of the Shares repurchased by the Company in order to provide flexibility for issuing new Shares when it is in the interests of the Company to do so, details of which are set out in ordinary resolution no. 6 in the notice of the AGM.

### **REPURCHASE MANDATE**

An ordinary resolution will be proposed at the AGM to grant to the Directors the Repurchase Mandate, details of which are set out in ordinary resolution no. 5 in the notice of the AGM. The Shares which may be repurchased pursuant to the Repurchase Mandate is limited to a maximum of 10% of the issued share capital of the Company at the date of passing of the resolution approving the Repurchase Mandate.

Appendix I to this circular contains an explanatory statement which includes all the information required by Rule 13.08 of the GEM Listing Rules concerning the Repurchase Mandate.

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## LETTER FROM THE BOARD OF DIRECTORS

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### REFRESHMENT OF THE SCHEME MANDATE LIMIT

As at 21st May 2003, being the adoption date of the Share Option Scheme, the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme was 40,000,000 Shares, being 10% of the Shares in issue on the date which the Share Option Scheme was adopted.

At the special general meeting of the Company held on 22nd June 2007, an ordinary resolution was passed by the Shareholders to approve the Share Subdivision. Upon the Share Subdivision becoming effective on 25th June 2007, the number of Shares attaching to the outstanding share options under the Share Option Scheme and the Scheme Mandate Limit were adjusted to 102,960,000 and 160,000,000, respectively.

As at the Latest Practicable Date, out of the total of 160,000,000 options granted under the Share Option Scheme (including exercised, outstanding, cancelled or lapsed), 27,940,000 options were exercised, 129,500,000 options were outstanding, 2,560,000 options were cancelled or lapsed, representing 1.72%, 0.80% and 0.16% of the Shares in issue as at the date of this circular.

Unless the Scheme Mandate Limit is refreshed at the AGM, no new Shares can be issued pursuant to the grant of further options under the existing Scheme Mandate Limit.

It is proposed that subject to the approval of the Shareholders at the AGM and such other requirements prescribed under the GEM Listing Rules, the limit on grant of options under the Share Option Scheme will be increased to the Refreshed Limit and, options previously granted under the Share Option Scheme or any other share option scheme(s) of the Company (including those exercised, outstanding, cancelled or lapsed in accordance with the Share Option Scheme or such other scheme(s) of the Company) will not be counted for the purpose of calculating the limit as refreshed.

Pursuant to the GEM Listing Rules, the Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option scheme(s) of the Company at any time will not exceed 30% of the Shares in issue from time to time. No options shall be granted under any scheme(s) of the Company or any of its subsidiaries if this will result in the 30% limit being exceeded.

As at the Latest Practicable Date, there were 1,627,940,000 Shares in issue. Assuming that no further Shares will be issued or repurchased prior to the date of approving the refreshment of the Scheme Mandate Limit by the Shareholders, the maximum number of Shares which fall to be issued upon exercise of all options that may be granted by the Company under the Refreshed Limit would be 162,794,000 Shares, representing 10% of the Shares in issue as at the date of the approval of the proposed refreshment of the Scheme Mandate Limit to the Refreshed Limit by the Shareholders at the AGM. No outstanding share options of the Company will be lapsed as a result of the refreshment of the Scheme Mandate Limit.



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## LETTER FROM THE BOARD OF DIRECTORS

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The Company also has a Previous Scheme and the same was terminated on 18th May 2003. No further share options will be offered under the Previous Scheme upon its termination but its terms remain in full force and effect in respect of the outstanding share options previously granted. As at the Latest Practicable Date, no options had been granted and remained outstanding under the Previous Scheme.

Save for the Share Option Scheme and the Previous Scheme, the Company has no other share option scheme(s) as at the Latest Practicable Date.

The Board considers that the proposed refreshment of Scheme Mandate Limit will enable the Company to grant further options to eligible persons so as to provide opportunities and incentive to them to work towards enhancing the values of the Company and Shares for the benefit of the Company and Shareholders as a whole. As the granting of options will not affect the Group's cash flow but will help the Company to retain and/or recruit employees and to provide them with a direct economic interest in attaining the long term business objectives of the Company, the Board has decided to grant to those eligible persons of the Group such number of options which will provide sufficient incentives to them to achieve the Group's business goals.

### **Conditions**

As required by the Share Option Scheme and the GEM Listing Rules, an ordinary resolution will be proposed at the AGM to approve the Refreshed Limit such that the total number of securities which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme(s) of the Company must not exceed the Refreshed Limit.

The adoption of the Refreshed Limit is conditional upon:

- (a) the Shareholders passing an ordinary resolution to approve the Refreshed Limit at the AGM; and
- (b) the GEM Listing Committee granting the approval of the listing of, and permission to deal in, the new Shares to be issued, pursuant to the exercise of any options that may be granted under the Share Option Scheme under the Refreshed Limit.

### **Application for Listing**

Application will be made to the Listing Committee for the granting of the approval of the listing of, and permission to deal in, the new Shares which fall to be issued upon the exercise of any options that may be granted under the Share Option Scheme under the Refreshed Limit.

### **RE-ELECTION OF RETIRED DIRECTORS**

In accordance with Bye-law 87 of the Company, Mr. Chen Fu Rong and Mr. Shi Guang Rong will retire and, being eligible, offer himself for re-election at the AGM. According to the

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## LETTER FROM THE BOARD OF DIRECTORS

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existing Bye-law, no director holding the office as Chairman of the Board and/or Managing Director shall be subject to retirement by rotation. Details of the Directors proposed to be re-elected are set out in Appendix II to this circular.

### **ACTION TO BE TAKEN**

A notice of AGM is set out in Appendix III to this circular.

A form of proxy for the AGM is enclosed with this circular. If you do not intend to attend the AGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return the same to 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 fixed for the AGM or any adjourned meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting if you so wish.

### **PROCEDURES FOR DEMANDING A POLL AT THE AGM**

Under Bye-law 66(1) of the Company, a poll may be properly demanded at a general meeting of the Company:

- (a) by the Chairman of the meeting; or
- (b) by at least three members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or
- (d) by a member or members present in person (or in the case of a member being a corporation, by its duly authorised representative) or by proxy and holding Shares conferring a right to vote at the meeting being Shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all Shares conferring that right.

In accordance with the requirements of the GEM Listing Rules, the results of the poll will be published by way of an announcement which is published on the business day following the meeting.

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## LETTER FROM THE BOARD OF DIRECTORS

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### 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 enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this circular is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this circular misleading; and (3) all opinions expressed in this circular have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

### RECOMMENDATION

The Directors are of the opinion that the proposals to grant the New Issue Mandate, Repurchase Mandate, the refreshment of the Scheme Mandate Limit and the re-election of retired Directors referred to in this circular are in the best interests of the Company and its Shareholders and recommend all Shareholders to vote in favour of all the resolutions relating to the New Issue Mandate, the Repurchase Mandate, the refreshment of the Scheme Mandate Limit and the re-election of retired Directors to be proposed at the AGM.

Yours faithfully,  
On behalf of the Board of Directors  
**Yuxing InfoTech Holdings Limited**  
**Zhu Wei Sha**  
*Chairman*

*This is an explanatory statement given to all Shareholders relating to the resolution to be proposed at the AGM authorising the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 13.08 and other relevant provisions of the GEM Listing Rules and the Stock Exchange.*

## **1. SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 1,627,940,000 Shares.

Subject to the passing of the ordinary resolution no. 5 set out in the notice of AGM and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 162,794,000 Shares during the period from the date on which such resolution is passed until the date of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda (as amended) or any applicable laws of Bermuda to be held; or (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

## **2. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interests of the Company and its Shareholders for the Directors to have general authority from Shareholders to enable the Company to repurchase Shares in the market. Repurchases of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of the Company and/or its earnings per Share.

## **3. FUNDING OF REPURCHASES**

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum of association and Bye-laws, the GEM Listing Rules and the applicable laws of Bermuda. The Company may not repurchase its own Shares on the GEM for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

## **4. GENERAL**

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited financial statements contained in the 2007 Annual Report) in the event that the Repurchase Mandate is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

## 5. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the GEM during each of the previous 12 months preceding the date of this circular are as follows:

<b>Month</b>	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2007</b>		
June	1.40	0.90
July	1.36	1.00
August	1.58	1.15
September	1.72	1.12
October	1.67	1.02
November	1.48	0.98
December	1.06	0.73
<b>2008</b>		
January	1.07	0.475
February	0.68	0.39
March	0.66	0.41
April	0.58	0.49
May (up to the Latest Practicable Date)	0.56	0.48

## 6. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates of any of the Directors has any present intention, in the event that the proposed Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company or its subsidiaries.

No connected person of the Company (as defined in the GEM Listing Rule) has notified the Company that he/she has a present intention to sell Shares to the Company nor has he/she undertaken not to sell any of the Shares held by him/her to the Company in the event that the Company is authorised to make repurchases of Shares.

## 7. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchase pursuant to the Repurchase Mandate and in accordance with the GEM Listing Rules, the memorandum of association and Bye-laws of the Company and any applicable laws of Bermuda.

## 8. TAKEOVERS CODE CONSEQUENCE

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its power to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (as defined in the Takeovers Code), depending on the level of increase in the Shareholder's interests, could obtain or consolidate control of the Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Super Dragon Co., Ltd. ("Super Dragon") and Dragon Treasure Ltd. ("Dragon Treasure") holding 660,000,000 Shares and 320,000,000 Shares, representing approximately 40.54%, and 19.66% respectively of the issued share capital of the Company, were the only substantial shareholders holding 10% or more of the issued share capital of the Company. The shareholders of Super Dragon are Mr. Zhu Wei Sha and Mr. Chen Fu Rong who own 63.6% and 36.4% of the entire issued share capital of this company respectively. Dragon Treasure is a nominee company, of which Mr. Sun Li Jun and Mr. Shi Guang Rong are the shareholders who own 98% and 2% of the entire issued share capital of this company respectively. Dragon Treasure acts as the trustee for holding the Shares on behalf of past and present employees of the Company and its subsidiaries, including Mr. Shi Guang Rong and Mr. Wang An Zhong.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any person (other than Directors or chief executive of the Company) who had an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the Securities and Futures Ordinance.

Assuming that the shareholdings of each of Super Dragon and Dragon Treasure remain the same as at the Latest Practicable Date and no further Shares are issued or repurchased, if the Repurchase Mandate were exercised in full, the percentage shareholding of each of them before and after such repurchase would be as follows respectively:

<b>Substantial Shareholders</b>	<b>Before repurchase</b>	<b>After repurchase</b>
Super Dragon	40.54%	45.05%
Dragon Treasure	19.66%	21.84%

As a result, in the event that the Directors exercise in full the power to repurchase Shares in accordance with the terms of Ordinary Resolution no. 4, Super Dragon or a group of Shareholders acting in concert (as defined in the Takeovers Code) with it would be obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. However, the Directors have no present intention to exercise the Repurchase Mandate to such an extent as would give rise to this obligation.

## **9. SHARE REPURCHASES MADE BY THE COMPANY**

No repurchases of Shares have been made by the Company (whether on the GEM or otherwise) during the period of six months prior to the Latest Practicable Date.

*The following are the particulars of the Directors proposed to be re-elected at the AGM:*

**Mr. Chen Fu Rong (“Mr. Chen”)**

Mr. Chen, aged 47, is a co-founder of the Group. He has been a vice president of the Group since 1996. He graduated from the Department of Automatic Control of the Beijing Industrial University with a bachelor degree in engineering. He had worked at the Industrial Economic Research Department of the China Social Science Institute and Beijing Machinery Electronics Co. and has extensive experience in computer hardware design and management of research and development activities. Mr. Chen possesses 15 years’ experience in research and development and engineering management. Mr. Chen is currently the executive president of Sheng Bang, a wholly-owned subsidiary of the Group and is a director and a shareholder of Super Dragon which has 40.54% interests in the share capital of the Company.

There is a service contract dated 7th October 1999 for a term of three years entered into between the Company and Mr. Chen, which is subject to automatic renewal upon expiry for successive terms of one year. Mr. Chen is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. Mr. Chen is entitled to Director’s emoluments of HK\$30,000 per month. He is not entitled to discretionary bonus based upon his performance.

As at the Latest Practicable Date, save for Mr. Chen’s interests in 40.54% of the share capital of the Company through his interests in Super Dragon, Mr. Chen did not have any interests in the Shares within the meaning of Part XV of the Securities and Futures Ordinance and was not related to any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Chen had not previously held any position in the Company and he had not held any other directorships in listed public companies in the last three years as at the Latest Practicable Date. There is no other information relating to Mr. Chen that is required to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

**Mr. Shi Guang Rong (“Mr. Shi”)**

Mr. Shi, aged 48, has been a vice president of the Group since 1996. He graduated with a bachelor degree in engineering from the Department of Automatic Control of the Beijing Industrial University. He had worked at various enterprises in the PRC. He is responsible for the marketing and public relation matters of the Group and possesses 17 years’ experience in product marketing and promotion. Mr. Shi is currently the Chief Executive Officer of Yuxing Technology Company Limited, a wholly-owned subsidiary of the Group in Hong Kong and is a director of Dragon Treasure which has 19.66% interests in the share capital of the Company.

There is a service contract dated 7th October 1999 for a term of three years entered into between the Company and Mr. Shi, which is subject to automatic renewal for successive terms of one year upon expiry. Mr. Shi is subject to retirement by rotation and re-election in accordance with the Bye-laws of the Company. Mr. Shi is entitled to Director’s emoluments of HK\$40,000 per month. He is not entitled to discretionary bonus based upon his performance.



As at the Latest Practicable Date, Mr. Shi was interested in 25,400,000 Shares and 600,000 share options of the Company, representing approximately 1.56% and 0.04% of the issued share capital of the Company. Mr. Shi did not have any interests in Shares within the meaning of Part XV of the Securities and Futures Ordinance and was not related to any other Directors, senior management, management shareholders, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Shi had not previously held any position in the Company and he had not held any other directorships in listed public companies in the last three years as at the Latest Practicable Date. There is no other information relating to Mr. Shi that is required to be disclosed pursuant to rule 17.50(2)(h) to (v) of the GEM Listing Rules.

Save as disclosed above, there are no other matters which need to be brought to the attention of the Shareholders in respect of the re-election of Mr. Chen and Mr. Shi as Directors.

**YUXING INFOTECH HOLDINGS LIMITED****裕興科技控股有限公司\****(incorporated in Bermuda with limited liability)***(Stock Code: 8005)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of Yuxing InfoTech Holdings Limited (the “Company”) will be held at the second meeting room, 2nd Floor, R/D Complex Building, Tsinghua Hi-Tech Co., Ltd, Tsinghua Hi-Tech Park, Hi-Tech Industrial Park (North), Nanshan, Shenzhen, China on Thursday, 26th June 2008 at 2:30 p.m. to transact the following ordinary business:

1. to receive, consider and adopt the audited consolidated financial statements and the reports of the Directors and auditors of the Company for the year ended 31st December 2007;
2. to re-elect retiring Directors, Mr. Chen Fu Rong and Mr. Shi Guang Rong, and to authorise the Directors to fix the Directors’ remuneration;
3. to re-appoint the Company’s auditors and to authorise the Directors to fix their remuneration;

and, as special business, to consider and, if thought fit, pass resolutions 4 to 7 as ordinary resolutions:

**ORDINARY RESOLUTIONS**

4. **THAT:**
  - (a) subject to paragraph (c) of this resolution, pursuant to 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 exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot and issue securities of the Company and to make or grant offers, agreements and options which might require securities to be issued, allotted and disposed be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;

\* For identification purposes only

- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraphs (a) and (b) of this resolution, (otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any option under any share option scheme of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares in accordance with the Bye-laws of the Company in force from time to time,) shall not exceed the aggregate of 20% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (d) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
  - (iii) the date on which the authority sets out for this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.

“Rights Issue” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to eligible holders of shares in the Company on the register on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).

## 5. THAT:

- (a) the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to purchase its shares on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong (“SFC”) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the GEM Listing Rules, the Companies Act 1981 of Bermuda and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period to procure the Company to purchase its securities at a price determined by the Directors;
- (c) the aggregate nominal amount of shares of the Company which may be purchased by the Company pursuant to the approval in paragraphs (a) and (b) of this resolution during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (d) for the purposes of this resolution, “Relevant Period” means the period from the date of the passing of this resolution until whichever is the earliest of:
  - (i) the conclusion of the next annual general meeting of the Company;
  - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company, the Companies Act 1981 of Bermuda or any other applicable law of Bermuda to be held; and
  - (iii) the date on which the authority sets out for this resolution is revoked or varied by an ordinary resolution of the shareholders of the Company in a general meeting.

6. **THAT:**

conditional upon resolutions numbered 5 and 6 as set out in the notice convening this meeting being passed, the aggregate nominal amount of the issued shares in the capital of the Company which are repurchased by the Company under the authority granted to the Directors pursuant to and in accordance with the said resolution numbered 6 above shall be added to the aggregate nominal amount of the share capital that may be allotted, issued or dealt with by the Directors pursuant to and in accordance with the resolution numbered 4 as set out in the notice convening this meeting.

7. **THAT:**

subject to and conditional upon the GEM Listing Committee granting the approval of the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of options which may be granted under the Refreshed Limit (as herein defined), the existing scheme mandate limit under the share option scheme adopted by the Company on 21st May 2003 (the “Share Option Scheme”) be refreshed so that the total number of Shares which may be allotted and issued upon the exercise of the options granted under the Share Option Scheme shall not exceed 10 per cent of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this Resolution (the “Refreshed Limit”) and that the Directors be and are hereby authorised to do such act and execute such document to effect the Refreshed Limit and to grant options up to the Refreshed Limit and to exercise all the powers of the Company to allot, issue and deal with Shares pursuant to the exercise of such options.

By Order of the Board  
**Yuxing InfoTech Holdings Limited**  
**Zhu Wei Sha**  
*Chairman*

Hong Kong, 28th May 2008

*Principal place of business in Hong Kong:*

Unit 1808, 18th Floor  
Tower III, Enterprise Square  
9 Sheung Yuet Road  
Kowloon Bay  
Kowloon  
Hong Kong

*Notes:*

1. Any registered holder of the Shares (the “Member”) entitled to attend and vote at the annual 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 annual general meeting. A proxy need not be a Member.
2. In order to be valid, the form of 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 that power or authority, must be deposited at the office of the Company’s Hong Kong branch 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 for holding the annual general meeting or adjourned meeting.