

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VERY SUBSTANTIAL DISPOSAL RELATING TO DISPOSAL OF LAND AND PROPERTY

THE AGREEMENT

On 29 May 2023 (after Hong Kong trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Land and Property at the consideration of US\$110.0 million (equivalent to approximately HK\$858.0 million).

Upon execution of the Agreement, the Escrow Agent shall countersign the Agreement as the escrow holder for acceptance and performance of the escrow instructions contemplated under the Agreement.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Disposal is above 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

A SGM will be convened and held by the Company for the Shareholders to consider and, if thought fit, approve (among others) the Disposal.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and therefore no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve, among other things, the Disposal.

A circular containing, among other things, further information on the Agreement and the Disposal, other information as required under the GEM Listing Rules and a notice of the SGM will be despatched to the Shareholders on or before 30 June 2023 as more time is required for the Company to prepare such circular.

GENERAL

Completion of the Agreement is subject to the satisfaction of the conditions precedent and terms thereof, and therefore the Disposal may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

INTRODUCTION

On 29 May 2023 (after Hong Kong trading hours), the Vendor (an indirect wholly-owned subsidiary of the Company) and the Purchaser entered into the Agreement, pursuant to which the Purchaser has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Land and Property at the consideration of US\$110.0 million (equivalent to approximately HK\$858.0 million).

Upon execution of the Agreement, the Escrow Agent shall countersign the Agreement as the escrow holder for acceptance and performance of the escrow instructions contemplated under the Agreement.

THE AGREEMENT

The principal terms of the Agreement are as follows:

1. Date

29 May 2023 (after Hong Kong trading hours)

2. Parties

The Vendor: RiCloud Corp., an indirect wholly-owned subsidiary of the Company

The Purchaser: Prime Data Centers, LLC

3. The Land and Property to be disposed

The Land and Property to be disposed consists of:

- (a) the real estate situated at 6580 Via Del Oro, San Jose, California 95119 and with an area of approximately 4.725 acres (the “**Land**”); and
- (b) one story mission critical data center building with an area of approximately 80,158 square feet located on the Land (the “**Data Centre**”).

The Data Centre is the first internet data centre (the “**IDC**”) project of the Group in the United States. The Group acquired the Land in April 2017. In April 2019, the Group entered in to the construction agreement with an Independent Third Party contractor in relation to the construction of Phase I of the Data Centre, details of which are set out in the announcement of the Company dated 1 June 2021 and the circular of the Company dated 25 June 2021. The construction of Phase 1 of the Data Centre commenced in 2020 and completed in the third quarter of 2022. The certificate of occupancy of the Land and Property, representing the authorisation of use and occupancy of the Land and Property from the US authority, has been obtained by the Vendor in February 2022. As at the date of this announcement, construction of Phase 2 of the Data Centre has not commenced. As at the date of this announcement, the Data Centre has not been put into operation or rent out.

4. **Consideration**

The consideration (the “**Consideration**”) for the sale and purchase of the Land and Property as agreed among the Vendor and the Purchaser under the Agreement is US\$110.0 million (equivalent to approximately HK\$858.0 million).

The Consideration was arrived at after arm’s length negotiations between the Vendor and the Purchaser after taking into account, among other things, (i) the fair value of the Land and Property as at 30 April 2023 of approximately US\$109.0 million (equivalent to approximately HK\$850.2 million) according to the valuation report prepared by the Independent Valuer on the market value basis (the “**Valuation**”); (ii) the carrying amount of the Land and Property of approximately US\$109.0 million (equivalent to approximately HK\$850.2 million) as at 31 December 2022; and (iii) the factors as set out in the paragraph headed “Reasons for and Benefits of the Disposal” below.

5. **Payment mechanism**

The Consideration will be satisfied in cash by the Purchaser to the Vendor in the following manners:

- (a) The Purchaser shall place a deposit (the “**Deposit**”) of US\$3.0 million (equivalent to approximately HK\$23.4 million) with the Escrow Agent within four (4) business days after the date of execution of the Agreement in immediate available funds which shall be held and disbursed by the Escrow Agent in the following manner:
 - (i) if the Purchaser shall elect to terminate (or deemed to have elected to terminate) the Agreement on or prior to the Inspection Period (as defined below), the Escrow Agent shall immediately return the Deposit to the Purchaser;
 - (ii) the Escrow Agent shall promptly release the Deposit to the Vendor upon the later to occur of: (a) the date on which the Purchaser elects (or is deemed to have elected) not to terminate the Agreement on or prior to the Inspection Period; (b) the date on which the Purchaser delivers a written notice of the Purchaser’s election to waive its right to terminate the Agreement to the Vendor; and (c) and the date on which the Vendor delivers the Closing Notice (as defined below), and, thereafter, except as provided in sub-paragraph (iii) below, such Deposit shall be non-refundable to the Purchaser;

- (iii) if the Agreement shall be terminated by Buyer after the last day of the Inspection Period due to the reasons that (1) the Vendor is unable to or unwilling to cure certain exceptions or encumbrances to title of the Land and Property in accordance with the terms of the Agreement; (2) there occurs Changed Fact(s) (as defined below) which is disclosed to the Purchaser following the date that is ten (10) business days before the last day of the Inspection Period (individually, or in the aggregate with all other Changed Facts disclosed to the Purchaser following the date that is ten (10) business days before the last day of the Inspection Period) that would cause a reduction in the fair market value of the Land and Property that exceeds the US\$2.0 million or would otherwise have a material adverse effect on the Purchaser's ability to use the Land and Property as a mission critical data center facility; (3) a Material Event (as defined below) has occurred, to the extent such Material Event was not caused (directly or indirectly) by the acts or omissions of the Purchaser or any of Purchaser's officers, directors, shareholders, members, constituent members, managers, agents, contractors or employees; (4) Completion does not occur as a result of any failure of Vendor to satisfy any of the conditions precedent and the Agreement is terminated accordingly; or (5) if the Agreement is terminated (or deemed terminated) by Purchaser as remedies due to the failure of the Vendor to complete the Disposal, then Vendor shall immediately return the Deposit to Purchaser;
- (iv) if the Disposal contemplated by the Agreement is successfully completed, then the Deposit shall be applied as a credit to the Consideration at Completion; and
- (v) if Completion does not take place as a result of any matter or reason other than those described in sub-paragraphs (i) or (iii) above, the Deposit shall be retained by the Vendor as liquidated damages.

“Inspection Period” means the period commencing from the date of the Agreement and ending on the Contingency Date. Pursuant to the Agreement, the Purchaser may terminate the Agreement for any reason or no reason by giving written notice of termination on or before 5:00 pm (Pacific Time) on the last day of the Inspection Period.

“Changed Fact” means any fact, matter or circumstance that would make any of Vendor's representations or warranties in the Agreement untrue, incomplete or incorrect in any material respect, or that actually causes the Vendor to believe in good faith, that any such representation or warranty is untrue, incomplete or incorrect in any material respect; provided, however, to the extent that any of the foregoing occurrences is directly or indirectly caused by the acts or omissions of the Purchaser or any of its agents, employees, contractors, consultants or representatives, then any such occurrence shall not be deemed a Changed Fact.

“Material Event” means any interruptive event to the Land and Property that (a) would result in restoration costs necessary to fully restore all damages to the Land and Property be in excess of the Material Loss Threshold or (b) in the case of a condemnation, if in the commercially reasonable judgment of Purchaser such condemnation is material and would frustrate the intended use of the Land and Property or (c) would result in any long term or indefinite material reduction in the amount of electrical power that is available to the Land and Property and that in the commercially reasonable judgment of the Purchaser would frustrate the intended use of the Land and Property.

“Material Loss Threshold” means: (i) with respect to any damage or loss that is covered by insurance, an amount equal to US\$5.0 million; and (ii) with respect to any damage or loss that is not covered by insurance, an amount equal to US\$1.0 million.

- (b) The remaining balance of the Consideration of US\$107.0 million (equivalent to approximately HK\$834.6 million) (the **“Remaining Balance”**) shall be delivered by the Purchaser to the Escrow Agent on or before the Completion and shall be disbursed to the Vendor in the following manner:
 - (i) as to approximately US\$3.9 million (equivalent to approximately HK\$30.0 million) (the **“Holdback Escrow Amount”**) shall be deducted from the Remaining Balance and shall be held and distributed by the Escrow Agent in accordance with the holdback escrow agreement to be executed by the Vendor, the Purchaser and the Escrow Agent upon Completion (**“Holdback Escrow Agreement”**); and
 - (ii) as to the remaining approximately US\$103.2 million (equivalent to approximately HK\$804.6 million) shall be released by the Escrow Agent to the Vendor immediately upon Completion.

Pursuant to the Holdback Escrow Agreement, the Holdback Escrow Amount shall be deposited by the Escrow Agent in an account with the Escrow Agent (**“Holdback Escrow Account”**). The Holdback Escrow Amount (plus any earnings and less the expenses thereon from the investment in the Holdback Escrow Account as the **“Escrow Funds”**) shall be distributed in the following manner:

- (i) at any time prior to the last day of the Survival Period, the Purchaser may serve upon Escrow Agent and the Vendor a written notice demanding release of funds from the Escrow Funds in connection with a claim under the Agreement or any other transaction document delivered in connection with the Agreement (each such notice, an **“Escrow Demand”**) by providing a reasonably detailed description of the basis of such claim;
- (ii) the Vendor may reply to any Escrow Demand by delivery of written notice to the Purchaser and the Escrow Agent (a **“Response to Escrow Demand”**) within five (5) business days following its receipt of the applicable Escrow Demand by stating whether Vendor agrees or disagrees that the claim asserted in the applicable Escrow Demand. If the Vendor shall not deliver a Response to Escrow Demand to the Purchaser and the Escrow Agent within five (5) business days after the date of receipt of the Escrow Demand, and such failure continues for two (2) business days following the Purchaser’s delivery of written notice thereof to the Vendor and the Escrow Agent, the Vendor shall be deemed to have acknowledged the validity of such Escrow Demand;
- (iii) if the Vendor acknowledges the validity of (or is deemed to have acknowledged the validity of) all or a portion of an Escrow Demand, the Escrow Agent shall release to the Purchaser from the Holdback Escrow Account, an amount equal to the amount specified in such Escrow Demand or the portion of amount so agreed by the Vendor;

- (iv) if the Vendor disputes the validity of all or any portion of the Escrow Demand, then the amount of the applicable Escrow Demand (less the amount (if any) that is not so disputed by the Vendor in such Response to Escrow Demand), shall be treated as a disputed Escrow Demand (a “**Disputed Escrow Demand**”) and the amount of such Disputed Escrow Demand shall be held by the Escrow Agent as an undivided portion of the Escrow Funds until such amount is required to be disbursed in accordance with sub-paragraph (v) below;
- (v) the aggregate amount from the Escrow Funds retained by Escrow Agent in connection with all Disputed Escrow Demands is referred to herein as the “**Reserve**”. Funds from the Reserve shall be released by the Escrow Agent only upon the Escrow Agent’s receipt of either: (i) a joint direction executed by the Vendor and the Purchaser or (ii) a final, non-appealable judgment, order or decree of a court or other judicial body of competent jurisdiction issuing a determination as to an Escrow Demand to which any portion of the Reserve is attributable; and
- (vi) on the last day of the Survival Period, the Escrow Agent shall disburse to the Vendor the then remaining Escrow Funds deducting any amount that the Escrow Agent and the Purchaser is entitled to pursuant to the Holdback Escrow Agreement (including any Reserve as of the last day of the Survival Period and the fees and expenses payable to the Escrow Agent by the Purchaser and the Vendor).

6. **Conditions precedent**

Completion is conditional upon the following conditions being satisfied (and/or waived as the case may be) on or before the Completion Date:

- (a) the title insurance division or affiliate of the Escrow Agent shall be irrevocably committed to issue a title policy which shall insure the Purchaser’s title interest in the Land and Property in the amount of the Consideration at and as of the Completion Date;
- (b) the Vendor shall have delivered or caused to be delivered to the Escrow Agent all Completion deliverables required to be delivered by the Vendor prior to Completion pursuant to the Agreement;
- (c) the Vendor shall not be in material default under any of, and shall have otherwise performed in full all of, its material obligations to be performed under the Agreement at or prior to the Completion Date;
- (d) with the exception of any representations and warranties that are expressly made as of a specific date, which will be true and correct in all material respects as of the specified date, each and every representation and warranty of the Vendor set forth in the Agreement shall be true, complete and correct in all material respects as of the Completion Date;
- (e) the Vendor shall not have filed (or have had filed against it) any proceeding in bankruptcy, receivership or any similar proceeding;

- (f) the escrow for holding the Holdback Escrow Amount shall have been established in accordance with the Holdback Escrow Agreement, and the Holdback Escrow Amount shall have been deposited therein;
- (g) the Purchaser shall have delivered or caused to be delivered to the Escrow Agent all Completion deliverables required to be delivered by the Purchaser prior to Completion pursuant to the Agreement;
- (h) the Purchaser shall not be in material default under any of, and shall have otherwise performed in full all of, its material obligations to be performed under the Agreement at or prior to the Completion Date;
- (i) each and every representation and warranty of the Purchaser set forth in the Agreement shall be true, complete and correct in all material respects as of the Completion Date; and
- (j) the approval by the Shareholders at the SGM of the Agreement and the transactions contemplated thereunder, and compliance by the Company of all applicable requirements under the GEM Listing Rules in relation to the Agreement and the transaction contemplated thereunder.

The Purchaser has the right to waive any conditions precedent (a) to (f) above at any time after the date of the Agreement by notice in writing to the Vendor. The Vendor has the right to waive any conditions precedent (g) to (i) above at any time after the date of the Agreement by notice in writing to the Purchaser. Condition precedent (j) shall not be waived in any event.

7. Completion

Completion shall take place at the offices of Escrow Agent on the earlier to occur of: (a) the Scheduled Closing Date (as defined below) or (b) such earlier date as the Purchaser may determine, provided that the Purchaser shall provide seven (7) business days' prior written notice to the Vendor and the Escrow Agent of such accelerated Completion Date. Completion is subject to the fulfillment (or waiver as the case may be) of all conditions precedent under the Agreement.

If the Vendor has not delivered a Closing Notice on or before the date that is six (6) months after the date of the Agreement, then the Purchaser may terminate the Agreement upon written notice to the Vendor at any time prior to the date on which the Vendor delivers the Closing Notice.

“**Scheduled Closing Date**” means the date to be designated by the Vendor, upon no less than thirty (30) days prior written notice to the Purchaser (the “**Closing Notice**”), that is no less than thirty (30) days after the Contingency Date; provided that the Purchaser shall have the right, exercisable by written notice thereof given no less than five (5) business days prior to the date on which the Scheduled Closing Date would otherwise occur, to the extend the Scheduled Closing Date by up to thirty (30) days; provided that, in either case, if the applicable date falls on a Monday or a day after a holiday, then the Scheduled Closing Date shall occur on the following business day thereafter.

ESCROW PERIOD LEASE

As part of Agreement, the Vendor (as landlord) and the Purchaser (as tenant) separately entered into the Escrow Period Lease in relation to the leasing of the Land and Property by the Vendor to the Purchaser. The Escrow Period Lease and the Agreement are inter-conditional. The Escrow Period Lease shall be automatically terminated if the Agreement is terminated prior to the expiry of the Escrow Period. The Agreement shall automatically terminate if the Escrow Period Lease is terminated other than as a result of Completion. Upon Completion, the Escrow Period Lease shall expire in accordance with its terms.

Pursuant to the Escrow Period Lease, among others, during the Escrow Period the Vendor shall lease the Land and Property to the Purchaser at a monthly rate of approximately US\$0.3 million (equivalent to approximately HK\$2.5 million). The Land and Property shall be used by the Purchaser only for (a) access and inspection purposes as provided in the Agreement; (b) alterations to the Land and Property to the extent permissible by the Escrow Period Lease; (c) storage and installation and commissioning of computer, switch and/or communications equipment and related infrastructure, such as cabinets, containment, ladder rack and cabling; or (d) ancillary use related thereto (including staffing to perform, monitor and coordinate the foregoing), and for no other use or purpose.

INFORMATION ON THE VENDOR AND THE GROUP

The Vendor is a company incorporated in the Delaware with limited liability and is an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in leasing of data centre.

The Company is an investment holding company and the Group is principally engaged in the businesses of information home appliances, internet data centre, investing and leasing.

INFORMATION ON THE PURCHASER AND THE ESCROW AGENT

The Purchaser is incorporated in Delaware with limited liability and is principally engaged in the development and operation of data centres. The ultimate beneficial owner of the Purchaser is Mr. Nicholas Laag, who is an entrepreneur and the founder and chief executive officer of the Purchaser.

The Escrow Agent is incorporated in Florida and is principally engaged in the provision of property insurance and title and deed services. It is a subsidiary of Old Republic International Corporation, a company listed on the New York Stock Exchange (stock code: ORI).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser, the Escrow Agent and their respective ultimate beneficial owner(s) are Independent Third Parties.

FINANCIAL EFFECTS OF THE DISPOSAL

Earnings

The Company expects to record a gain on the Disposal of approximately HK\$79.6 million before taxation, which is calculated with reference to the Consideration, as adjusted by, amongst other things, (i) legal and professional fees of approximately HK\$5.7 million; (ii) transfer tax, escrow fees and other closing costs of approximately HK\$9.0 million; and (iii) carrying amount of the Land and Property as at 31 December 2022 and release of the revaluation reserves and deferred tax upon the Disposal. The estimated gain to be derived from the Disposal has not taken into account the potential tax impact upon completion of the Disposal.

However, the actual amount of net gain from the Disposal can only be determined on the last day of the Survival Period where the remaining balance of the Holdback Escrow Amount is released to the Vendor.

Shareholders should note that the financial impact set out above is for illustrative purpose only, which will have to be ascertained at the time of preparation of the Company's consolidated financial statements with reference to, among other things, the actual costs and expenses associated with the Disposal, and is subject to audit.

USE OF PROCEEDS

The net cash proceeds from the Disposal after deducting the relevant expenses and tax are estimated to be approximately HK\$843.3 million. The Group intends to use the net cash proceeds as to (1) approximately HK\$200.0 million (i.e. approximately 24% of the net cash proceeds) on general corporate purpose, including the payment of salaries, expenses incurred in research and development activities and daily business operation; (2) approximately HK\$45.3 million (i.e. approximately 5% of the net cash proceeds) on further investments of the Group as and when the opportunities arise; (3) approximately HK\$540.0 million (i.e. approximately 64% of the net cash proceeds) on the construction or acquisition of internet data centre and development of cloud technology for the IDC business; (4) approximately HK\$20.0 million (i.e. approximately 2% of the net cash proceeds) on research and development of the information home appliances business of the Group; (5) approximately HK\$30.0 million (i.e. approximately 4% of the net cash proceeds) on the expansion of the leasing business of the Group; and (6) approximately HK\$8.0 million (i.e. approximately 1% of the net cash proceeds) on repayment of outstanding bank borrowings.

REASONS FOR AND BENEFITS OF THE DISPOSAL

As disclosed in the annual report of the Company for the year ended 31 December 2018, the Group considered that IDC is an important carrier of information technology infrastructure and cloud computing in the era of big data. The Group has planned to continue to internationalise its IDC business through new constructions or mergers and acquisitions in core cities and regions to provide targeted, customisable and high value-added services, establish an international cloud computing data centre for large enterprises and provide small and medium-sized enterprises in Greater China with integrated international cloud computing solutions. The establishment of the Data Centre in the United States was an important step towards expanding the global IDC business of the Group and show the determination of the Group to vigorously develop its IDC business.

It was originally intended that the Data Centre would be leased to large telecommunication enterprises based on the PRC and that our Group would provide technical support. However, due to US-China's political tensions, the continuous scrutiny and tightening of regulations internet and data-related businesses and overall risk assessment of the economy, the plans had not materialised and subsequently the Board had changed the intended use of the Data Centre to solely leasing out or sell for profit if appropriate and believed that it is in the interest of the Group for sustainable development. The Board considers that the Disposal represents a valuable opportunity for the Group to accelerate the return of the investment in the Land and Property at a considerable profit and also to generate substantial cash inflow upon Completion.

After Completion, the Group will continue with the IDC business under a sale and leaseback arrangement of data centre assets (comprising machines, equipment, fixtures, furniture, supplies, tools and other tangible assets) in the Shatin data centre in Hong Kong (the "**Data Centre Assets**") entered into between the Group and a lessee on 29 April 2020 (for details, please refer to the announcements of the Company dated 29 April 2020 and 5 May 2020). Under the sale and leaseback arrangement, the Group has acquired and leased back the Data Centre Assets to an Independent Third Party for operation for a term of five years. The Group receives rental income from the leasing of the Data Centre Assets, which shall be paid by the lessee on a quarterly basis over the five-year term in a total of 20 installments in the following manner: (a) installments 1–8: HK\$3.0 million/installment; (b) installments 9–12: HK\$4.0 million/installment; and (c) installments 13–20: HK\$5.0 million/installment. While the above sale and leaseback arrangement shall expire on 31 March 2025, the Group intends to continue the IDC business afterwards by either continuing to lease the Data Centre Assets to the existing lessee or a new lessee or to engage in the operation of the Data Centre Assets directly. As at the date of this announcement, the Group does not expect there will be material difficulty in sourcing lessee of the Data Centre Assets after the expiry of the above sale and leaseback arrangement.

Save for the leasing of the Shatin data centre, the Group is also actively exploring the opportunities to establish new IDC base(s) in the PRC or globally. The Group is also concentrating its efforts on evolving itself into an international recognised leading cloud computing enterprise in the era of big data.

The Group will also continue with its other existing businesses after Completion, which include information home appliances, investing and leasing. The Company does not have any intention, arrangement, agreement, understanding or negotiation (concluded or otherwise) on any disposal or termination or scaling-down of its existing businesses or material assets, or any injection of new businesses to the Group.

Based on the above, the Directors are of the view that the terms of the Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio (as defined in the GEM Listing Rules) in respect of the Disposal is above 75%, the Disposal constitutes a very substantial disposal of the Company and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

As the transactions contemplated under the Escrow Period Lease are of a revenue nature in the ordinary and usual course of IDC business of the Company, the transactions contemplated under the Escrow Period Lease do not constitute “transaction” under Chapter 19 of the GEM Listing Rules.

A SGM will be convened and held by the Company for the Shareholders to consider and, if thought fit, approve (among others) the Disposal.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the Disposal and therefore no Shareholder will be required to abstain from voting on the resolution(s) to be proposed at the SGM to approve, among other things, the Disposal.

A circular containing, among other things, further information on the Agreement and the Disposal, other information as required under the GEM Listing Rules and a notice of the SGM will be despatched to the Shareholders on or before 30 June 2023 as more time is required for the Company to prepare such circular.

GENERAL

Completion of the Agreement is subject to the satisfaction of the conditions precedent and terms thereof, and therefore the Disposal may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Agreement”	the real property purchase and sale and escrow agreement entered into between the Vendor and the Purchaser on 29 May 2023 in relation to the Disposal
“Board”	board of Directors
“Company”	Yuxing InfoTech Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the ordinary shares of which are listed on GEM (Stock Code: 8005)
“Completion”	completion of the transactions contemplated under the Agreement
“Completion Date”	the date of Completion
“Consideration”	the total consideration for the Disposal payable by the Purchaser to the Vendor pursuant to the Agreement
“Contingency Date”	the date that is forty-five (45) days after the date of execution of the Agreement (provided that if such date falls on a day after a holiday, such ending date shall occur on the following business day)

“Director(s)”	the director(s) of the Company
“Disposal”	the proposed disposal of the Land and Property by the Vendor pursuant to the Agreement
“Escrow Agent”	Old Republic National Title Insurance Company, a Florida incorporated company
“Escrow Period”	the period from 29 May 2023 to the Completion Date
“Escrow Period Lease”	the lease dated 29 May 2023 and entered into between the Vendor as landlord and the Purchaser as tenant in relation to the leasing of the Land and Property by the Vendor to the Purchaser during the Escrow Period
“GEM”	GEM 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 dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	person(s) who, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of the Company and its connected persons (as defined in the GEM Listing Rules)
“Independent Valuer”	an independent property valuer in Hong Kong
“Land and Property”	the property, consist of: <ul style="list-style-type: none"> (a) the real estate situated at 6580 Via Del Oro, San Jose, California 95119 and with an area of approximately 4.725 acres; and (b) one story mission critical data center building with an area of approximately 80,158 square feet located on the land
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

“Purchaser”	Prime Data Centers, LLC, a limited liability company incorporated in Delaware
“RMB”	Renminbi, the lawful currency of the PRC
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Agreement and the transactions contemplated thereunder
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Survival Period”	a period of nine (9) months after the Completion Date
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor”	RiCloud Corp., a Delaware incorporated company with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent.

By order of the Board
Yuxing InfoTech Investment Holdings Limited
Cong Yu
Executive Director and Chief Executive Officer

Hong Kong, 29 May 2023

* *For identification purposes only*

As at the date hereof, the executive Directors are Mr. Li Qiang, Mr. Cong Yu, Mr. Gao Fei, Mr. Shi Guangrong, Mr. Zhu Jiang and Mr. Chen Biao; and the independent non-executive Directors are Ms. Shen Yan, Ms. Dong Hairong and Ms. Huo Qiwei.

This announcement, for which the Directors of the Company 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 Listed Company Information” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and on the Company’s website at www.yuxing.com.cn.