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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)

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO LEASE AGREEMENT

LEASE AGREEMENT

On 24 July 2023, Meishan E-rich, an indirect wholly-owned subsidiary of the Company as landlord, entered into the Lease Agreement with Chengdu Ganluhai, as tenant, in respect of the leasing of the Premises with a term of three years commencing from 1 August 2023 to 31 July 2026.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Chengdu Ganluhai is indirectly owned as to 45.80% by Mr. Cong Yu, a substantial Shareholder, the chief executive officer of the Company and an executive Director, and as to 9.30% by Ms. Feng Yaping, the spouse of Mr. Cong Yu. Accordingly, Chengdu Ganluhai is a connected person of the Company and the transactions contemplated under the Lease Agreement constitutes continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

As one of the applicable percentage ratios in respect of the annual cap for the transactions contemplated under the Lease Agreement is more than 0.1% but all the applicable percentage ratios are less than 5%, the transactions contemplated under the Lease Agreement will be subject to reporting, announcement and annual review requirements but will be exempted from circular (including independent financial advice) and independent Shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules.

INTRODUCTION

On 24 July 2023, Meishan E-rich, an indirect wholly-owned subsidiary of the Company as landlord, entered into the Lease Agreement with Chengdu Ganluhai, as tenant, in respect of the leasing of the Premises with a term of three years commencing from 1 August 2023 to 31 July 2026.

The principal terms of each of the Lease Agreement are summarised below:

THE LEASE AGREEMENT

Date	:	24 July 2023
Parties	:	(a) Meishan E-rich, an indirect wholly-owned subsidiary of the Company as landlord (b) Chengdu Ganluhai, as tenant
Leased premises	:	The factory situated at No. a, b, c, d, Building B6, Yaoxing Tianfu Pioneering Park, South Section of Bencao Avenue, Dongpo District, Meishan City, Sichuan Province, with total gross area of 8,168.64 square meters
Term	:	a term of three years commencing from 1 August 2023 to 31 July 2026
Rental	:	From 1 August 2023 to 31 July 2024: RMB367,589 (equivalent to approximately HK\$433,733) per month, tax inclusive From 1 August 2024 to 31 July 2025: RMB378,616 (equivalent to approximately HK\$446,745) per month, tax inclusive From 1 August 2025 to 31 July 2026: RMB389,971 (equivalent to approximately HK\$460,143) per month, tax inclusive The rental fee is exclusive of premises management fee and utility fees including but not limited to water, electricity, air conditioning and maintenance which shall be borne by Chengdu Ganluhai. The rental fee shall be paid by Chengdu Ganluhai to the designated account of Meishan E-rich on a monthly basis.
Deposit	:	RMB367,589 (equivalent to approximately HK\$433,733), which shall be refunded to Chengdu Ganluhai upon the expiry of the term of the Lease Agreement.
Use of the leased premises	:	The Premises shall be used as factory solely for production purpose. Prior written consent from Meishan E-rich shall be obtained if the use of the Premises is to be changed.

INFORMATION OF THE GROUP AND CHENGDU GANLUHAI

The Company is an investment holding company and the Group is principally engaged in businesses of information home appliances, internet data centres, investing and leasing. Meishan E-rich is an indirect wholly-owned subsidiary of the Company and principally engaged in property holding and leasing.

Chengdu Ganluhai is a company established in the PRC and is principally engaged Tibetan medicine consultation services and development of related medicines. As at the date of this announcement, Chengdu Ganluhai is indirectly owned as to (i) 45.80% by Mr. Cong; (ii) 9.30% by Ms. Feng Yaping, the spouse of Mr. Cong; and (iii) the remaining 44.90% by other Independent Third Party shareholders, namely Qin Chunzhao, Mao Jianxin, Wang Huiliang, Ren Liangyuan, Li Fengxian, Qi Bin, Hu Xiaoli, Luo Qingjian, Ju Jinjian, Zhao Xinyu, Gao Chengjing, Zhou Xinyao, Tang Guoxin, Wang Bihua, Dong Guanhong, Zhang Zan, Xu Lingjue, Li Hao, Hu Zhengrong, Liu Zhongwei, Huang Huijin, Wang Jun, Guo Shengjun, Deng Xiangxiong, Zhang Changyan, Xie Yongjun, Li Weizhong, Wang Hui, Zou Jifeng, Ji Xumei, Zhang Xuehong, Liu Jin, Zhang Pingrong, Chen Rui and Huang Yao, with the single largest shareholding of such ultimate beneficial owners being 6.12%.

ANNUAL CAPS

The annual caps under the Lease Agreement for the years ending 31 December 2023, 31 December 2024, 31 December 2025 and 31 December 2026 are RMB1,837,945 (equivalent to approximately HK\$2,168,667), RMB4,466,203 (equivalent to approximately HK\$5,269,856), RMB4,600,167 (equivalent to approximately HK\$5,427,926) and RMB2,729,797 (equivalent to approximately HK\$3,220,999) respectively, being the total rent payable under the Lease Agreement for the years ending 31 December 2023, 31 December 2024, 31 December 2025 and 31 December 2026 respectively.

The rent payable under the Lease Agreement was determined with reference to the prevailing market rent of comparable premises and has taken into account the costs of renovation, fixtures and fittings spent on the Premises by Meishan E-rich.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The Directors consider that it is in the commercial interests of the Group to lease the Premises to Chengdu Ganluhai since the Group receives recurring rentals in connection with the Premises. The terms of the Lease Agreement were arrived at after arm's length negotiations between Meishan E-rich and Chengdu Ganluhai with reference to the prevailing market rent of comparable premises and has taken into account the costs of renovation, fixtures and fittings spent on the Premises by Meishan E-rich.

The Directors (including the independent non-executive Directors) consider that the terms of the Lease Agreement (including the annual caps) are on normal commercial terms and in the ordinary and usual course of business of the Group, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Having considered the material interest of Mr. Cong under the Lease Agreement, Mr. Cong has abstained from voting on the resolutions of the Board approving the Lease Agreement and the transactions contemplated thereunder. Save as disclosed above, to the best of knowledge of the Directors having made all reasonable enquiries, none of the other Directors has a material interest in the Lease Agreement and the transactions contemplated thereunder and thus, was required to abstain from voting on the resolutions of the Board approving the Lease Agreement and the transactions contemplated thereunder.

GEM LISTING RULES IMPLICATIONS

As at the date of this announcement, Chengdu Ganluhai is indirectly owned as to 45.80% by Mr. Cong, a substantial Shareholder, the chief executive officer of the Company and an executive Director, and as to 9.30% by Ms. Feng Yaping, the spouse of Mr. Cong. Accordingly, Chengdu Ganluhai is a connected person of the Company and the transactions contemplated under the Lease Agreement constitutes continuing connected transactions for the Company under Chapter 20 of the GEM Listing Rules.

As one of the applicable percentage ratios in respect of the annual cap for the transactions contemplated under the Lease Agreement is more than 0.1% but all the applicable percentage ratios are less than 5%, the transactions contemplated under the Lease Agreement will be subject to reporting, announcement and annual review requirements but will be exempted from circular (including independent financial advice) and independent Shareholders' approval requirements pursuant to Chapter 20 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Chengdu Ganluhai”	Chengdu Wuhou Ganluhai Zang Hospital Co., Ltd.* (成都武侯甘露海藏醫院有限公司), a company established in the People's Republic of China
“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)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party/(ies)”	person(s) who, to the best knowledge and belief of the Directors having made all reasonable enquiries, is/are third parties independent of and not connected with the Company and its connected persons
“Lease Agreement”	the lease agreement dated 24 July 2023 and entered into between Meishan E-rich and Chengdu Ganluhai in respect of the leasing of the Premises

“Meishan E-rich”	Meishan E-rich Shengda Medical Service Co., Ltd.* (眉山裕睿盛達醫藥服務有限公司), a company established in the People’s Republic of China and an indirect wholly-owned subsidiary of the Company
“Mr. Cong”	Mr. Cong Yu, a substantial Shareholder, the chief executive officer of the Company and an executive Director
“PRC”	the People’s Republic of China excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Premises”	the factory situated at No. a, b, c, d, Building B6, Yaoxing Tianfu Pioneering Park, South Section of Bencao Avenue, Dongpo District, Meishan City, Sichuan Province
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“%”	per cent

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

Hong Kong, 24 July 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 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.