

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.

Baiying Holdings Group Limited

百應控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8525)

CONNECTED AND DISCLOSEABLE TRANSACTION RELATING TO PROVISION OF FINANCIAL ASSISTANCE

PROVISION OF FINANCIAL ASSISTANCE

On 27 May 2022, Xiamen Baiying entered into the Loan Agreement with Huishangcheng Trade, pursuant to which Xiamen Baiying agreed to provide the Loan in the principal amount of RMB8.0 million (equivalent to approximately HK\$9,396,288.47 million) to Huishangcheng Trade at an interest rate of 5% per annum which is repayable on demand by a three-day notice.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of the Loan Agreement, Huishangcheng Trade was 78.95% owned by Fujian Septwolves Group which was in turn approximately 37.82% owned by Mr. Zhou Yongwei (周永偉), a controlling Shareholder, and hence was a connected person of the Company pursuant to the GEM Listing Rules. As such, the Loan constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As the Loan Agreement is on normal commercial terms and one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Loan exceeds 5% but is less than 25% and the total value of the financial assistance is less than HK\$10,000,000, the connected transaction contemplated under the Loan Agreement is subject to the annual review, reporting and announcement requirements, but is exempted from the circular and independent shareholders' approval requirements pursuant to Rule 20.74(2) of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Loan, exceeds 5% but is less than 25%, the transaction contemplated under the Loan Agreement also constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

INTRODUCTION

On 27 May 2022, Xiamen Baiying entered into the Loan Agreement with Huishangcheng Trade, pursuant to which Xiamen Baiying agreed to provide the Loan in the principal amount of RMB8.0 million (equivalent to approximately HK\$9,396,288.47 million) to Huishangcheng Trade at an interest rate of 5% per annum which is repayable on demand by a three-day notice.

The principal amount of the Loan was determined through arm's length negotiation between Xiamen Baiying and Huishangcheng Trade with reference to the financial needs of Huishangcheng Trade, and was financed by the internal resources of the Group. The interest rate on the Loan was negotiated at arm's length between Xiamen Baiying and Huishangcheng Trade, taking into account the prevailing bank lending rate.

LOAN AGREEMENT

The principal terms of the Loan Agreement are set out below:

Date: 27 May 2022

Lender: Xiamen Baiying

Borrower: Huishangcheng Trade

Amount of the Loan: The principal amount is RMB8.0 million (equivalent to approximately HK\$9,396,288.47 million) (the “**Principal Amount**”).

The Principal Amount was determined through arm's length negotiation between Xiamen Baiying and Huishangcheng Trade with reference to the financial needs of Huishangcheng Trade, and will be financed by the internal resources of the Group.

Repayment: The Principal Amount is repayable by Huishangcheng Trade on or before 30 November 2022 or the date specified in the three-day notice (the “**Repayment Date**”) to be issued by Xiamen Baiying, whichever is earlier.

Interest rate: The interest rate of the Loan is 5% per annum based on the actual borrowing days on the Repayment Date (the “**Interest Payable**”). The Interest Payable shall be paid in full by Huishangcheng Trade on the Repayment Date.

The interest rate was negotiated at arm's length between Xiamen Baiying and Huishangcheng Trade, taking into account the prevailing bank lending rate in the PRC.

Default payment: If the borrower fails to repay the Principal Amount and Interest Payable under the Loan Agreement, the default payment shall be paid to Xiamen Baiying at a daily default rate of 0.02% from the Repayment Date to the full settlement date.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE LOAN

The Group currently has a surplus of funds. The management of the Company considered that the Loan, which was on normal commercial terms, could provide the Group with reasonable return on such idle funds, pending deployment of such funds for the Group's business needs and operating activities after repayment. The Loan was made by the Group for treasury management purpose, after taking into account, among others, the level of risk and return.

Taking into account the above and the view of the Company's management that the interest rate and terms of the Loan were better than what the Company could obtain if a similar loan was made on arm's length basis to the Independent Third Parties, the Directors (including the independent non-executive Directors) were of the view that the terms of the Loan Agreement were on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As at the date of the Loan Agreement, Huishangcheng Trade was 78.95% owned by Fujian Septwolves Group which was in turn approximately 37.82% owned by Mr. Zhou Yongwei (周永偉), a controlling Shareholder, and hence was a connected person of the Company pursuant to the GEM Listing Rules. As such, the Loan constitutes a connected transaction for the Company under Chapter 20 of the GEM Listing Rules.

As the Loan Agreement is on normal commercial terms and one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Loan, exceeds 5% but is less than 25% and the total value of the financial assistance is less than HK\$10,000,000, the connected transaction contemplated under the Loan Agreement is subject to the annual review, reporting and announcement requirements, but is exempted from the circular and independent shareholders' approval requirements pursuant to Rule 20.74(2) of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the Loan, exceeds 5% but is less than 25%, the transaction contemplated under the Loan Agreement also constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the notification and announcement requirements under the GEM Listing Rules.

Mr. Zhou and Mr. Chen abstained from voting on the relevant board resolutions in respect of the Loan Agreement. Save for Mr. Zhou and Mr. Chen, none of the other Directors had any material interest in the Loan Agreement.

INFORMATION ABOUT THE GROUP

The Group is headquartered in Fujian Province and engaged in providing finance leasing services, factoring services and advisory services to the customers, as well as manufacture and sale of vinegar and wine products and packaging and paper products trading.

Xiamen Baiying, being the lender under the Loan Agreement, a wholly owned subsidiary of the Company, is a company established in the PRC and is principally engaged in finance leasing business, leasing business, leasing trading consultancy and guarantee and factoring services in the PRC.

INFORMATION ABOUT HUIZHANGCHENG TRADE

Huishangcheng Trade, being the borrower under the Loan Agreement, is a company established in the PRC with limited liability. It is principally engaged in wholesale of textile and clothing, supply chain management service, domestic trade proxy service and international and domestic cargo transportation agency. Huishangcheng Trade is 78.95% owned by Fujian Septwolves Group which was in turn approximately 37.82% owned by Mr. Zhou Yongwei (周永偉), a controlling Shareholder, directly 31.09% owned by Mr. Zhou Shaoxiong (周少雄) and directly 31.09% owned by Mr. Zhou Shaoming (周少明).

DEFINITIONS

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

“Board”	the board of Directors
“Company”	Baiying Holdings Group Limited (百應控股集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 5 June 2017, the Shares of which are listed on GEM (stock code: 8525)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“Fujian Septwolves Group”	Fujian Septwolves Group Corporation* (福建七匹狼集團有限公司), a company established in the PRC, is approximately 37.82% owned by Mr. Zhou Yongwei (周永偉), a controlling Shareholder, 31.09% owned by Mr. Zhou Shaoxiong (周少雄) and 31.09% owned by Mr. Zhou Shaoming (周少明)
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries as of the date of this announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Huishangcheng Trade”	Xiamen Huishangcheng Trade Co., Ltd.* (廈門匯尚成貿易有限責任公司), a company established in the PRC with limited liability and principally engaged in wholesale of textile and clothing, supply chain management service, domestic trade proxy service and international and domestic cargo transportation agency, and is owned as to 78.95% by Fujian Septwolves Group which was in turn approximately 37.82% owned by Mr. Zhou Yongwei (周永偉), a controlling Shareholder, directly 31.09% owned by Mr. Zhou Shaoxiong (周少雄) and directly 31.09% owned by Mr. Zhou Shaoming (周少明)
“Independent Third Parties”	the third party independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive of the Company or substantial Shareholders, its subsidiaries and their respective associates
“Loan”	the loan in the principal amount of RMB8.0 million (equivalent to approximately HK\$9,396,288.47 million) from Xiamen Baiying to Huishangcheng Trade pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement entered into between Xiamen Baiying and Huishangcheng Trade on 27 May 2022, pursuant to which Xiamen Baiying agreed to provide the Loan to Huishangcheng Trade in the principal amount of RMB8.0 million (equivalent to approximately HK\$9,396,288.47 million)
“Mr. Chen”	Mr. Chen Xinwei (陳欣慰), executive Director and a director of Fujian Septwolves Group
“Mr. Zhou”	Mr. Zhou Shiyuan (周士淵), chairman of the Board, executive Director and son of Mr. Zhou Yongwei (周永偉), a controlling Shareholder
“PRC”	the People’s Republic of China, but for the purpose of this announcement and for geographical reference only and except where the context requires, references in this announcement to “PRC” do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
“RMB”	Renminbi, the lawful currency for the time being of the PRC

“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xiamen Baiying”	Xiamen Baiying Leasing Co., Ltd.* (廈門百應融資租賃有限責任公司), a company established in the PRC with limited liability and principally engaged in finance leasing business, leasing business, leasing trading consultancy and guarantee and factoring services in the PRC, which is an indirectly wholly owned subsidiary of the Company

* denotes English translation of the name of a Chinese company or entity, or vice versa, and is provided for identification purpose only

By Order of the Board
Baiying Holdings Group Limited
Zhou Shiyuan
Chairman

Fujian Province, the PRC, 27 May 2022

As of the date of this announcement, the executive Directors are Mr. Huang Dake, Mr. Chen Xinwei and Mr. Zhou Shiyuan; the non-executive Director is Mr. Ke Jinding; and the independent non-executive Directors are Mr. Chen Chaolin, Mr. Xie Mianbi and Mr. Tu Liandong.

For the purpose of this announcement, translations of RMB into HK\$ or vice versa have been calculated by using an exchange rate of RMB0.8514 equal to HK\$1.00 for the Loan Agreement. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

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 GEM website at www.hkgem.com on the “Latest Listed Company Information” page for at least seven days from the date of its posting and on the Company’s website at www.byleasing.com.