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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)

DECISION OF THE STOCK EXCHANGE ON GEM LISTING RULE 17.26

This announcement is made by Baiying Holdings Group Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

On 7 July 2023, the Company received a letter from the Stock Exchange (the “**Letter**”) notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of a sufficient value to support its operations under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of its shares and that trading in the Company’s shares will be suspended on 19 July 2023 under Rule 9.04(3) of the GEM Listing Rules (the “**Decision**”). In arriving at the Decision, the Stock Exchange has considered, inter alia, the followings:

1. The Stock Exchange considers the Company does not have a business that is of substance, viable and sustainable. For the financial services business, it has been maintained at a minimal scale of operations which has been loss-making since 2021. The Company has not demonstrated that the financial services business while being maintained at a minimal scale of operation is a business with prospects.
2. For the paper trading business, it is operated on an indent basis without value added services or any apparent competitive edge. In particular, the paper trading business is operated by a few employees and had limited customers with a thin gross profit margin.
3. For the vinegar business, it was only commenced in 2022 with a very short operating history. Its scale of operation is minimal currently, which only generated RMB0.6 million revenue with a segment loss of RMB11.1 million for the year ended 31 December 2022.

Pursuant to the Letter, the Company must re-comply with Rule 17.26 of the GEM Listing Rules, fulfill any resumption guidance that may be set by the Stock Exchange and be in full compliance with the GEM Listing Rules to the Stock Exchange's satisfaction before the trading of the Company's shares is allowed to resume. Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of the Company's shares if trading remains suspended for a continuous period of 12 months.

Pursuant to Rule 4.06(1) of the GEM Listing Rules, the Company has the right to request for the Decision to be reviewed by the GEM Listing Committee within 7 business days of receipt of the Decision (i.e. on or before 19 July 2023). The Company is in the process of seeking advice from its external adviser and will actively consider to make a request for the Decision to be referred to the GEM Listing Committee for review. Pending the decision as to whether or not to request for a review of the Decision, trading in the shares of the Company will continue.

Shareholders and potential investors of the Company should note that the Company has made the decision to not request for a review of the Decision.

Further announcements will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules. Shareholders who have any queries about the implication of the Decision are advised to obtain appropriate professional advice.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Fujian Province, the PRC, 10 July 2023

As of the date of this announcement, the executive Directors are Mr. Zhou Shiyuan, Mr. Chen Xinwei and Mr. Huang Dake; 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.

This announcement, for which 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 announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) 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 Stock Exchange's website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company's website at www.byleasing.com.