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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF AN ASSOCIATE

THE DISPOSAL

The Board announces that on 1 November 2023, after trading hours, the Vendor, an indirect wholly-owned subsidiary of the Company, and the Purchasers entered into the Share Transfer Agreement pursuant to which the Vendor agreed to sell to the Purchaser, and the Purchaser agreed to acquire from the Vendor the Sale Shares at the Consideration of RMB6,250,000 (equivalent to approximately HK\$6,810,625) in cash.

GEM LISTING RULES IMPLICATION

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

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THE DISPOSAL

The Share Transfer Agreement

Date

1 November 2023

Parties

- (1) the Vendor; and
- (2) the Purchasers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, the Purchasers and their ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

Assets to be disposed of

The Sale Shares, representing 5% of the equity interest in the Target Company, held by the Vendor.

Consideration

The Consideration is RMB6,250,000 (equivalent to approximately HK\$6,810,625) which shall be paid in cash by the Purchasers to the Vendor within fifteen (15) business days from the date when all the condition precedents have been fulfilled.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchasers after taking into consideration of the reasons for the Disposal as discussed below.

The Directors consider that the Consideration and the terms of the Share Transfer Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Key Conditions Precedent

The payment of the Consideration is conditional upon the fulfilment (or waiver in writing) of, among others, the following key conditions precedent:

- (a) the completion of the registration and filing of change of company records by the Target Company;
- (b) the Purchaser having been satisfied with the results of the financial and legal due diligence conducted on the Target Company;

- (c) all approvals, consents, exemptions, licenses, authorisations and waivers required to complete the Disposal have been obtained; and
- (d) the approval for the Disposal from the board of directors and shareholders of the Target Company have been obtained.

INFORMATION ON THE GROUP, THE PURCHASERS AND THE VENDOR

The Group is principally engaged in the provision of (i) equipment based financing solutions and factoring services to customers, (ii) packaging and paper products trading and (iii) manufacture and sales of vinegar and other condiment products in the PRC.

The Vendor, an indirect wholly-owned subsidiary of the Company, is a company incorporated under the laws of the PRC with limited liability and is principally engaged in provision of the finance leasing in the PRC.

The Purchasers, being Shanghai Ronghe, Jiaxing Qiyuan and Huzhou Haichuan are limited partnerships formed under the laws of the PRC and principally engaged in investment holding.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated under the laws of the PRC with limited liability, and the Sale Shares were acquired by the Group in November 2021, the Target Company principally engaged in the manufacturing and sale of new energy construction machinery in the PRC.

Financial effect of the Disposal

The carrying amount of the investment in the Target Company at the date of the Disposal is RMB5,000,000 (equivalent to approximately HK\$5,448,500), representing its original acquisition cost. As a result of the Disposal, subject to further audit procedures to be performed by the auditor of the Group, the Group is expected to record a gain on the Disposal of approximately RMB1,250,000 (equivalent to approximately HK\$1,362,125). The Company intends to use the sale proceeds as general working capital.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Board believes that the Disposal represents a good opportunity for the Group to realise its investment in the Target Company at a profit given the Company's intention to focus its attention and funds on developing the financing and vinegar segments of the Group. Moreover, the sale proceeds from the Disposal will enable the Company to reallocate its resources to other existing operations, so as to generate better returns for its Shareholders and further enhance the cash flow of the Group.

In view of the above, the Directors consider that the terms of the Share Transfer Agreement are fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

GEM LISTING RULES IMPLICATION

As one or more applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Chapter 19 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
“Company”	Baiying Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8525)
“Consideration”	the consideration of RMB6,250,000 (equivalent to approximately HK\$6,810,625) payable by the Purchasers to the Vendor for the Disposal pursuant to the Share Transfer Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor to the Purchasers pursuant to the Share Transfer Agreement
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing in the Listing of Securities on GEM
“Group”	the Company and its subsidiaries as of the date of this announcement
“Huzhou Haichuan”	湖州海川股權投資合夥企業 (Huzhou Haichuan Equity Investment Partnership*), limited partnership formed under the laws of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Jiaxing Qiyuan”	嘉興啟原旭能創業投資合夥企業 (Jiaxing Qiyuan Xuneng Venture Capital Partnership*), limited partnership formed under the laws of the PRC
“PRC”	the People’s Republic of China
“Purchasers”	collectively, Shanghai Ronghe, Jiaxing Qiyuan and Huzhou Haichuan
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	5% of the equity interest in the Target Company
“Shanghai Ronghe”	上海融和新能源綠碳投資合夥企業 (Shanghai Ronghe New Energy Green Carbon Investment Partnership*), limited partnership formed under the laws of the PRC
“Share Transfer Agreement”	the share transfer agreement dated 1 November 2023 in relation to the Disposal entered into between the Vendor and the Purchasers
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	福建晉工新能源科技有限公司 (Fujian Jingong New Energy Technology Co., Limited*), a company incorporated under the laws of the PRC with limited liability
“Vendor”	廈門百應融資租賃有限責任公司 (Xiamen Baiying Leasing Co., Ltd.*), a company incorporated under the laws of the PRC with limited liability and is an indirect wholly owned subsidiary of the Company, which holds the Sale Shares representing 5% of the equity interest in the Target Company
“%”	per cent

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 to HK\$1.0897. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.

* For identification purpose only

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

Fujian Province, the PRC, 1 November 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.