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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Ye Xing Group Holdings Limited, you should at once hand this circular and the accompanying proxy form to the purchaser or the transferee or to the bank or stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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Ye Xing Group Holdings Limited
燁星集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1941)

**CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE NEW MASTER SERVICES AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



A letter from the Board is set out on pages 4 to 16 of this circular. A letter from the Independent Board Committee is set out on pages 17 to 18 of this circular. A letter from the Independent Financial Adviser containing its recommendations to the Independent Board Committee and the Independent Shareholders is set out on pages 19 to 35 of this circular.

The EGM will be held at 10:00 a.m. at Room 301, No. 8 Hongfu Road, Xihongmen, Daxing District, Beijing, PRC on 19 January 2023. A notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 10:00 a.m. on 17 January 2023) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you so wish.

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 5 December 2022 in respect of the Transactions
“associates”	has the meaning ascribed to it under the Listing Rules
“Beijing Herun”	Beijing Herun Asset Management Company Limited* (北京合潤資產管理有限公司), a limited liability company established under the laws of the PRC on 13 November 2013 and, as at the date of this circular, it is owned by Mr. Zhao Weihao and Ms. Wu Hong as to 99% and 1%, respectively
“Beijing Hongkun”	Beijing Hongkun Ruibang Property Management Company Limited* (北京鴻坤瑞邦物業管理有限公司), a limited liability company established under the laws of the PRC on 18 June 2003 and an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors of the Company
“China” or the “PRC”	the People’s Republic of China
“Company”	Ye Xing Group Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability on 26 March 2019
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Deed of Acting in Concert”	the deed of acting in concert dated 24 July 2019 and executed by Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin whereby they confirmed their acting in concert arrangements
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the Independent Shareholders to consider, and if thought fit, approve the transactions contemplated under the New Master Services Agreement and the Proposed Annual Caps

DEFINITIONS

“Existing Master Services Agreement”	the master services agreement entered into between Beijing Hongkun and Beijing Herun on 25 February 2020
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Hongkun Weiye”	Beijing Hongkun Weiye Real Estate Development Co., Ltd.* (北京鴻坤偉業房地產開發有限公司), a limited liability company established under the laws of the PRC on 20 August 2002, and as at the date of this circular, it is ultimately wholly beneficially owned/controlled by Mr. Zhao Weihao and his associates
“Hongkun Weiye Group”	Hongkun Weiye and its subsidiaries
“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors, namely, Mr. Cheung Wai Hung, Mr. Chan Cheong Tat, Ms. Chen Weijie and Mr. Leung Ka Wo, to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the ordinary resolutions regarding the transactions contemplated under the New Master Services Agreement and the Proposed Annual Caps
“Independent Financial Adviser” or “Zijing”	Zijing Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the transactions contemplated under the New Master Services Agreement
“Independent Shareholders”	Shareholders who will not be required under the Listing Rules to abstain from voting on the resolution(s) regarding the transactions contemplated under the New Master Services Agreement and the Proposed Annual Caps to be proposed at the EGM

DEFINITIONS

“Independent Third Parties”	independent third parties (to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry), including the ultimate beneficial owners of such party, not connected with the Company or any of its subsidiaries or any of their respective directors, chief executive or substantial shareholders or any of their respective associates (within the meaning of the Listing Rules)
“Latest Practicable Date”	28 December 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“MOHURD”	Ministry of Housing and Urban-Rural Development of the PRC
“NDRC”	National Development and Reform Commission of the PRC (中華人民共和國發展和改革委員會)
“New Master Services Agreement”	the master services agreement entered into between Beijing Hongkun, Beijing Herun and Hongkun Weiye on 5 December 2022
“Parent Group”	Beijing Herun and its subsidiaries
“Proposed Annual Caps”	the proposed annual caps for the transactions contemplated under the New Master Services Agreement for each of the three years ending 31 December 2023, 2024 and 2025
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (as amended from time to time)
“Share(s)”	ordinary share(s) with a par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Transactions”	the entering into of the New Master Services Agreement and the contemplated transactions and Proposed Annual Caps thereunder
“%”	per cent

* For identification purpose only

LETTER FROM THE BOARD

Ye Xing Group Holdings Limited
燁星集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1941)

Board of Directors:

Executive Directors:

Ms. Wu Guoqing (*Chairperson*)

Mr. Zhao Weihao

Ms. Li Yin Ping

Ms. Zhang Chunying

Registered office in the Cayman Islands:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

Non-executive Director:

Mr. Li Yifan

Principal place of business in the PRC:

Room 108

No. 45 Xinrong North Street

Xihongmen, Daxing District

Beijing, PRC

Independent non-executive Directors:

Mr. Cheung Wai Hung

Mr. Chan Cheong Tat

Ms. Chen Weijie

Mr. Leung Ka Wo

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

4 January 2023

To the Shareholders

Dear Sirs and Madams,

CONTINUING CONNECTED TRANSACTIONS
IN RELATION TO THE NEW MASTER SERVICES AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING

1. INTRODUCTION

Reference is made to the prospectus of the Company dated 28 February 2020 in relation to the Existing Master Services Agreement. As the Existing Master Services Agreement shall expire on 31 December 2022, on 5 December 2022 (after trading hours), Beijing Hongkun, an indirect wholly-owned subsidiary of the Company, entered into the New Master Services Agreement with Beijing Herun and Hongkun Weiye. Pursuant to the New Master Services Agreement, Beijing Hongkun will continue to provide Property Management Services, Property Developer Related

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Services and Value-added Services to the Parent Group and/or Hongkun Weiye Group for a term of three years commencing on 1 January 2023.

As the Directors expect that the Group will continue to provide the Property Management Services, Property Developer Related Services and Value-added Services to the Parent Group and/or Hongkun Weiye Group in its ordinary course of business, the Board approved the entering into of the New Master Services Agreement to renew the Existing Master Services Agreement, as well as to revise the corresponding annual caps.

2. THE NEW MASTER SERVICES AGREEMENT

The salient terms of the New Master Services Agreement are as follows:

Date: 5 December 2022

Parties: Beijing Hongkun;
Beijing Herun; and
Hongkun Weiye

Term: From 1 January 2023 and ending on 31 December 2025

Scope of Services

Pursuant to the New Master Services Agreement, the Company and its subsidiaries in the PRC will provide to the Parent Group and/or Hongkun Weiye Group:

- (i) property management services for both residential and non-residential properties, including but not limited to on-site security services, cleaning services, landscaping services, gardening services, repair and maintenance services, management and leasing of parking spaces, customer services and operation and management of unsold/undelivered properties (the “**Property Management Services**”);
- (ii) property developer related services, including but not limited to planning and design consultancy services, pre-delivery inspection services, sales assistance services, pre-delivery cleaning and preparation services and post-delivery repair services (the “**Property Developer Related Services**”); and
- (iii) value-added services, including but not limited to home living services, other value-added services that provide convenience to the property owners and residents, and organizing various community activities for property owners and residents to participate (the “**Value-added Services**”).

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Pricing Basis

Property Management Services

The service fees shall be a fixed fee to be determined after arm's length negotiations on normal commercial terms taking into account the type, GFA and location of the property, raw material costs, labour costs, operational costs and local government guideline prices, as well as the following factors:

- (i) the range of historical service fees for similar property management services actually incurred in previous cooperation between the relevant parties;
- (ii) the contracted fees under any current or previous contracts for similar property management services between the relevant parties;
- (iii) in relation to the provision of management services for undelivered properties, estimation of the relevant monthly service fees payable based on the estimated annual cap, which shall be estimated in accordance with the estimated total GFA of the properties that may be delivered by Beijing Herun or Hongkun Weiye, to which the relevant property management services are expected to be provided by the Group, during the term of the New Master Services Agreement; and
- (iv) in relation to the provision of management services for unsold properties, estimation of the relevant monthly service fees payable based on the estimated annual cap, which shall be estimated in accordance with Beijing Herun's or Hongkun Weiye's estimated total floor area of unsold properties for the three years ended 31 December 2025.

In determining and ensuring the reasonableness of the service fees for the Property Management Services, the Group will also (a) conduct market price research on similar transactions or projects, and consider and compare the bid-winning prices of at least two other project management companies for the provision of similar services in or around the concerned location; and/or (b) consider and compare the historical bid-winning prices of the Group for the provision of similar services in or around the concerned location (including the service fees of at least three projects charged by the Group to customers other than the Parent Group and Hongkun Weiye Group). Based on (a) and/or (b) and the other factors mentioned above, the Group will proceed to decide on and negotiate the relevant service fee. In any event, the fee shall not be higher than the standard fees designated by the relevant government authorities (i.e. the competent branch authorities of the NDRC and the MOHURD in the location where the managed properties are situated) or less favourable to the Group than the service fees charged by the Group to Independent Third Parties for similar services on normal commercial terms.

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Property Developer Related Services

The services fees shall be determined after arm's length negotiations taking into account the following factors:

- (i) in relation to consultancy service fees, the size and location of the property to be sold, the location of the sales center, the anticipated operational costs, the actual numbers of sales staff receiving the consultancy services and of sales centers receiving sales assistance services; Beijing Herun's or Hongkun Weiye's (where applicable) current land reserve, historical contracted sales amounts and historical contracted sales growth rates, etc.;
- (ii) in relation to pre-delivery inspection services, sales assistance services, pre-delivery cleaning and preparation services and post-delivery repair services, the scale of the property to be serviced, the contracted fees under any previous or current contracts for relevant services, the market rates for relevant services, and the estimated fees per square meter for Beijing Herun's or Hongkun Weiye's (where applicable) new projects; and
- (iii) the range of historical service fees for similar services actually incurred in previous cooperation between the relevant parties.

In determining and ensuring the reasonableness of the service fees for the Property Developer Related Services, the Group will also (a) conduct market price research on similar transactions or projects, and consider and compare the bid-winning prices of at least two other project management companies for the provision of similar services in or around the concerned location; and/or (b) consider and compare the historical bid-winning prices of the Group for the provision of similar services in or around the concerned location (including the service fees of projects charged by the Group to customers other than the Parent Group and Hongkun Weiye Group) where available. Based on (a) and/or (b) and the other factors mentioned above, the Group will proceed to decide on and negotiate the relevant service fee. In any event, the fee shall not be less favourable to the Group than the service fees charged by the Group to Independent Third Parties for similar services on normal commercial terms.

Value-added Services

The service fees shall be determined with reference to the contracted fees under any previous or current contracts for value-added services between the relevant parties and the market rates for relevant services.

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In determining and ensuring the reasonableness of the service fees for the Value-added Services, the Group will also (a) conduct market price research on similar transactions or projects, and consider and compare the bid-winning prices of at least two other project management companies for the provision of similar services in or around the concerned location; and/or (b) consider and compare the historical bid-winning prices of the Group for the provision of similar services in or around the concerned location (including the service fees of at least three projects charged by the Group to customers other than the Parent Group and Hongkun Weiye Group). Based on (a) and/or (b) and the other factors mentioned above, the Group will proceed to decide on and negotiate the relevant service fee. In any event, the fee shall not be less favourable to the Group than the service fees charged by the Group to Independent Third Parties for similar services on normal commercial terms.

Condition precedent

For the provision of Property Management Services, Property Developer Related Services and Value-Added Services contemplated under the New Master Services Agreement from 1 January 2023 to the date of the EGM, with an aggregate service fees payable by the Parent Group and Hongkun Weiye Group of RMB1.5 million or below of the Proposed Annual Caps under the New Master Services Agreement, this shall take effect immediately from 1 January 2023.

For the provision of Property Management Services, Property Developer Related Services and Value-Added Services contemplated under the New Master Services Agreement with an aggregate service fees payable by the Parent Group and Hongkun Weiye Group above RMB45.0 million of the Proposed Annual Caps for each of the three years ending 31 December 2023, 2024 and 2025 under the New Master Services Agreement, this is conditional upon the approval by the Independent Shareholders at the EGM.

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Historical annual caps and transaction amounts

The table below sets out (i) the historical annual caps for each of the two years ended 31 December 2020, 31 December 2021 and the year ending 31 December 2022; and (ii) the historical transaction amounts for each of the two years ended 31 December 2020, 31 December 2021 and the nine months ended 30 September 2022 in respect of the service fees payable by the Parent Group and Hongkun Weiye Group to the Group for the provision of Property Management Services, Property Developer Related Services and Value-added Services, respectively, under the Existing Master Services Agreement are as follows:

Historical annual caps	For the year ended 31 December		For the year ending
	2020	2021	31 December
	<i>(RMB million)</i>	<i>(RMB million)</i>	2022
			<i>(RMB million)</i>
Property Management Services	30.0	30.0	30.0
Property Developer Related Services	62.9	62.9	62.9
Value-added Services	2.1	2.1	2.1
Total	95.0	95.0	95.0
Historical transaction amounts	For the year ended 31 December		For the nine months ended
	2020	2021	30 September
	<i>(RMB million)</i>	<i>(RMB million)</i>	2022
			<i>(RMB million)</i>
Property Management Services	6.0	7.0	1.8
Property Developer Related Services	44.5	42.1	15.5
Value-added Services	–	–	–
Total	50.5	49.1	17.3

As at the date of this circular, the corresponding annual caps for the year ending 31 December 2022 have not been exceeded.

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Proposed Annual Caps under the New Master Services Agreement

The Proposed Annual Caps in respect of the service fees payable by the Parent Group and Hongkun Weiye Group to the Group for the provision of Property Management Services, Property Developer Related Services and Value-added Services, respectively, under the New Master Services Agreement are as follows:

Proposed Annual Caps	For the year ending 31 December		
	2023	2024	2025
	(RMB million)	(RMB million)	(RMB million)
Property Management Services	8.0	8.0	8.0
Property Developer Related Services	36.0	36.0	36.0
Value-added Services	1.0	1.0	1.0
Total	<u>45.0</u>	<u>45.0</u>	<u>45.0</u>

Basis of determining the Proposed Annual Caps

The Proposed Annual Caps are determined with reference to:

- (i) the historical transaction amounts of the service fees payable by the Parent Group and Hongkun Weiye Group to the Group for the provision of Property Management Services, Property Developer Related Services and Value-added Services, respectively, under the Existing Master Services Agreement;
- (ii) the estimated revenue to be recognised in relation to the services to be provided by the Group pursuant to existing contracts and the expected time and volume of delivery for our existing property management projects; and
- (iii) the expected volume of the sale of Parent Group and Hongkun Weiye Group, size and number of the property projects to be managed by the Group based on the total GFA of the properties to be delivered by Parent Group and Hongkun Weiye Group, the properties under development held by Parent Group and Hongkun Weiye Group as at the date of this circular and the estimated time of pre-sales and delivery.

Guarantee for Continuing Connected Transactions

Hongkun Weiye undertakes that, in the event that Hongkun Weiye's subsidiaries and/or the Parent Group fails to pay any fees to Beijing Hongkun and/or its subsidiaries as required under the New Master Services Agreement (or under any specific agreement entered into pursuant to the New Master Services Agreement) for any reason, Hongkun

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Weiye shall be jointly liable and be solely responsible for paying all such outstanding fees to Beijing Hongkun and/or its subsidiaries. Accordingly, Beijing Hongkun may request Hongkun Weiye to pay such amount at any time, and Hongkun Weiye shall make such payment to Beijing Hongkun and/or its subsidiaries within the time limit as required by Beijing Hongkun.

Reasons for and Benefits of Entering into the New Master Services Agreement

The Group is principally engaged in property management services, community value-added services and non-property owner valued-added services in the PRC, whereas Beijing Herun and Hongkun Weiye are principally engaged in property development business in the PRC and have developed and/or access to various development projects in the PRC. The Group has been actively communicating with Beijing Herun and Hongkun Weiye for possible future projects and business plans and expects that the demand for property management services will increase in the coming three years due to the increase in the expected GFA of the relevant residential and non-residential property units. By providing services to the Parent Group and Hongkun Weiye Group under the New Master Services Agreement, the Group will be able to generate revenue and increase the level of income of the Group.

In light of the above, the Directors (including the independent non-executive Directors whose views are set out in the section headed “Letter from the Independent Board Committee” in this circular, after considering the advice from Zijing) consider that (i) the continuing connected transactions set out above will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, and are fair and reasonable and in the interest of the Group and the Shareholders as a whole; and (ii) the Proposed Annual Caps for the continuing connected transactions set out above are fair and reasonable and in the interest of the Group and the Shareholders as a whole.

Information of the Parties

The Company

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 26 March 2019. The Company is principally engaged in the provision of property management services in respect of properties in the PRC.

Beijing Hongkun

Beijing Hongkun is a limited liability company established in the PRC on 18 June 2003, and its principal businesses include property management, operation and management of public car parks for motor vehicles and real estate brokerage services. As at the date Latest Practicable Date, Beijing Hongkun is wholly owned by Ye Xing (HK) Holdings Limited, which is wholly owned by Ye Xing Holdings Limited. Ye Xing Holdings Limited

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is a wholly-owned subsidiary of the Company. Therefore, Beijing Hongkun is an indirect wholly-owned subsidiary of the Company.

Beijing Herun

Beijing Herun is a limited liability company established in the PRC on 13 November 2013. Beijing Herun is principally engaged in property development business in the PRC. As at the Latest Practicable Date, Beijing Herun is owned by Mr. Zhao Weihao and Ms. Wu Hong as to 99% and 1%, respectively.

Hongkun Weiye

Hongkun Weiye is a limited liability company established under the laws of the PRC on 20 August 2002. Hongkun Weiye is principally engaged in property development business in the PRC. As at the date of this circular, Hongkun Weiye is directly owned by Hongkun Group Management Consulting Co., Ltd.* (鴻坤集團管理諮詢有限公司), Beijing Hongzhen Management Consulting Co., Ltd.* (北京鴻振管理諮詢有限公司) and Hongkun Group Co., Ltd.* (鴻坤集團有限公司) as to 65%, 25% and 10%, respectively. As at the Latest Practicable Date, Hongkun Weiye is ultimately wholly beneficially owned/controlled by Mr. Zhao Weihao and his associates.

Listing Rules Implications

As at the Latest Practicable Date, (i) Beijing Herun is owned as to 99% and 1% by Mr. Zhao Weihao and his parent, Ms. Wu Hong, respectively; and (ii) Hongkun Weiye is ultimately wholly beneficially owned/controlled by Mr. Zhao Weihao and his associates. Mr. Zhao Weihao is an executive Director and a controlling shareholder of the Company, and therefore Beijing Herun and Hongkun Weiye are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the New Master Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the New Master Services Agreement exceed 5%, the transactions contemplated thereunder and the Proposed Annual Caps are subject to the requirements of reporting, annual review, announcement and approval by the Independent Shareholders under Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Internal Control Measures

The Group will undertake the following internal control measures to monitor the continuing connected transactions:

- (1) the finance department staff will prepare the relevant information and the chief financial officer will conduct review on the same once every three months to assess whether the transactions are conducted in accordance with the terms of the New Master Services Agreement;
- (2) the finance department is required to present a summary of continuing connected transactions of the Group to the chief financial officer and compliance officer to assess whether such transactions will constitute any disclosure and/or approval requirement in accordance with the Listing Rules. The continuing connected transactions report is required to be submitted to the audit committee of the Company for review during every six months period and the year end;
- (3) the audit committee of the Company will review the continuing connected transactions every year and confirm that the transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (4) the Company will engage its external auditor to report on the continuing connected transactions every year. The external auditors will review and confirm in the annual report of the Company whether the transactions (i) have been approved by the Board; (ii) were entered into, in all material respects, in accordance with the New Master Services Agreement; and (iii) have not exceeded the Proposed Annual Caps.

The Directors consider that the above internal control measures can ensure that the transactions contemplated thereunder and the Proposed Annual Caps, are conducted in accordance with the terms of the New Master Services Agreement, on normal commercial terms, in the interests of the Company and the Shareholders as a whole, and in accordance with the relevant pricing policies.

General Information and Extraordinary General Meeting

Mr. Zhao Weihao, an executive Director and a controlling shareholder of the Company, who is also a controlling shareholder of Beijing Herun and Hongkun Weiye, had abstained from voting on the relevant Board resolutions approving the entering into of the New Master Services Agreement and the transactions contemplated thereunder and the Proposed Annual Caps in accordance with the Listing Rules, the applicable laws in the Cayman Islands and the articles of association of the Company. Save as disclosed above, none of the Directors has or is deemed to have a material interest in the transactions

LETTER FROM THE BOARD

contemplated under the New Master Services Agreement and/or is required to abstain from voting on the relevant Board resolutions.

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve the New Master Services Agreement, the transactions contemplated thereunder and the Proposed Annual Caps.

The Independent Board Committee, comprising all independent non-executive Directors, has been established to consider the New Master Services Agreement, the transactions contemplated thereunder and the Proposed Annual Caps and to advise and make recommendations to the Independent Shareholders as to how to vote at the EGM on the ordinary resolution(s) regarding the New Master Services Agreement, the transactions contemplated thereunder and the Proposed Annual Caps.

Zijing has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the transactions contemplated under the New Master Services Agreement and the Proposed Annual Caps.

As at the Latest Practicable Date, Mr. Zhao Weihao held 237,780,000 Shares indirectly and jointly with another person, representing approximately 58.67% of the existing issued share capital of the Company, and is a controlling shareholder of the Company. As Mr. Zhao Weihao has a material interest in the New Master Services Agreement and the transactions contemplated thereunder as described above, he is required to abstain from voting on the ordinary resolution(s) approving the transactions contemplated under the New Master Services Agreement and the Proposed Annual Caps at the EGM.

3. THE EGM

A notice convening the EGM to be held at 10:00 a.m. at Room 301, No. 8 Hongfu Road, Xihongmen, Daxing District, Beijing, PRC on 19 January 2023 is set out on pages EGM-1 to EGM-2 of this circular.

A form of proxy for the EGM is enclosed with this circular. Whether or not you are able to attend the meeting, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to Tricor Investor Services Limited, the Company's branch share registrar and transfer office in Hong Kong, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours (i.e. 10:00 a.m. on 17 January 2023) before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof should you so wish.

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4. VOTING BY POLL

Pursuant to the Listing Rules, the votes of the Independent Shareholders on the proposed ordinary resolution approving the New Master Services Agreement and the transactions contemplated thereunder will be taken by way of poll at the EGM and an announcement on the poll results will be made by the Company after the EGM.

Any Shareholder who has a material interest in the New Master Services Agreement and the transactions contemplated thereunder shall abstain from voting on the resolution in relation thereto to be proposed at the EGM. As at the Latest Practicable Date, Mr. Zhao Weihao held 237,780,000 Shares indirectly and jointly with another person, representing approximately 58.67% of the existing issued share capital of the Company, and is a controlling shareholder of the Company. Mr. Zhao Weihao has a material interest in the New Master Services Agreement and the transactions contemplated thereunder as described above, and he is required to abstain from voting on the relevant resolution approving the New Master Services Agreement and the transactions contemplated thereunder at the EGM.

Save as disclosed above and to the best of the Directors' knowledge, as at the Latest Practicable Date, no other Shareholder had any material interest in the New Master Services Agreement and the transactions contemplated thereunder, and no other Shareholder is required to abstain from voting at the EGM on the relevant resolution approving the New Master Services Agreement and the transactions contemplated thereunder.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, there is (i) no voting trust or other agreement or arrangement or understanding entered into by or binding upon any Shareholder; and (ii) no obligation or entitlement of any Shareholder as at the Latest Practicable Date, whereby it has or may have temporarily or permanently transferred control over the exercise of the voting right in respect of its Shares to a third party, either generally or on a case-by-case basis. Accordingly, to the best knowledge, information and belief of the Directors, there exists no discrepancy between any Shareholder's beneficial shareholding interest in the Company and the number of Shares in the Company in respect of which such Shareholder will control or will be entitled to exercise control over the voting right at the EGM.

5. RECOMMENDATIONS

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders in respect of the New Master Services Agreement and the transactions contemplated thereunder. Zijing has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in such respect.

The Directors (including the Independent Board Committee) have considered and approved the proposal in respect of the Transactions. They are of the view that: (i) the Transactions are on normal commercial terms or better terms; (ii) the terms and conditions of the Transactions are

LETTER FROM THE BOARD

fair and reasonable; and (iii) the Transactions are in the interests of the Company and the Shareholders as a whole.

The Director Mr. Zhao Weihao was deemed to have material interests in this transaction, and he has abstained from voting on the resolution regarding this transaction at the Board meeting accordingly. Save for the above person, none of the other Directors has interests in such transaction.

The Independent Board Committee, having taken into account of the terms of the New Master Services Agreement and the advice of the Independent Financial Adviser, considers that the New Master Services Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and that the Transactions are in the interests of the Company and the Shareholders as a whole. Therefore, the Independent Board Committee recommends the Independent Shareholders to vote in favor of the resolution to be proposed at the EGM to approve the transactions contemplated under the New Master Services Agreement.

In view of the above, the Board (including the Independent Board Committee) considers that the terms of the New Master Services Agreement are on normal commercial terms and are fair and reasonable.

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 17 to 18 of this circular containing the recommendation of the Independent Board Committee to the Independent Shareholders in respect of the transactions contemplated under the New Master Services Agreement; and (ii) the letter from the Independent Financial Adviser set out on pages 19 to 35 of this circular containing the advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as well as the principal factors and reasons considered in respect of the transactions contemplated under the New Master Services Agreement.

6. CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 16 January 2023 to 19 January 2023, both days inclusive, for the purpose of ascertaining Shareholder's entitlement to attend and vote at the EGM, during which period no share transfers can be registered. In order to be eligible to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 13 January 2023.

By Order of the Board
Ye Xing Group Holdings Limited
Wu Guoqing
Chairman and executive Director

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Ye Xing Group Holdings Limited **燁星集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1941)

4 January 2023

To the Independent Shareholders:

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE NEW MASTER SERVICES AGREEMENT

We refer to the circular dated 4 January 2023 (the “**Circular**”) to the Shareholders by the Company, of which this letter forms part. Unless specified otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

In accordance with the requirements under the Listing Rules, we have been appointed to consider and advise the Independent Shareholders as to whether the New Master Services Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned and that the Transactions are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Zijing Capital Limited has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board as set out on pages 4 to 16 in the Circular and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 19 to 35 in the Circular which contains its advice to us in respect of the Transactions. Your attention is also drawn to the additional information set out in the appendix to the Circular.

We have also discussed with the management of the Company regarding the terms of the New Master Services Agreement and the transactions contemplated thereunder. We are of the view that, having considered (i) the terms of the New Master Services Agreement; (ii) the discussions with the management of the Company about the background to and nature of the New Master Services Agreement; and (iii) the advice of the Independent Financial Adviser to us and the Independent Shareholders, we consider that the New Master Services Agreement and the transactions contemplated thereunder are on normal commercial terms, are in the ordinary and usual course of business of the Group and are fair and reasonable so far as the Independent Shareholders are concerned and that the Transactions are in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

We therefore recommend the Independent Shareholders to vote in favor of the ordinary resolution to be proposed at the EGM to approve the New Master Services Agreement and the transactions contemplated thereunder.

Yours faithfully,
**Independent Board Committee of
Ye Xing Group Holdings Limited**

Mr. Cheung Wai Hung Mr. Chan Cheong Tat Ms. Chen Weijie Mr. Leung Ka Wo
Independent Non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the New Master Services Agreement and the corresponding annual caps, which has been prepared for the purpose of inclusion in this circular.



4 January 2023

*To: The independent board committee and the independent shareholders of
Ye Xing Group Holdings Limited*

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE NEW MASTER SERVICES AGREEMENT

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the New Master Services Agreement and the corresponding annual caps, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 4 January 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined or the context requires otherwise.

Reference is made to the Prospectus in relation to, among other things, the continuing connected transactions contemplated thereunder the Existing Master Services Agreement. The Company has been carrying on certain continuing connected transactions from time to time pursuant to the Existing Master Services Agreement entered into between Beijing Hongkun, an indirect wholly-owned subsidiary of the Company and Beijing Herun for a term from 13 March 2020 to 31 December 2022.

On 5 December 2022, the Company, Beijing Herun and Hongkun Weiye entered into the New Master Services Agreement, pursuant to which the Company conditionally agreed to provide (i) property management; (ii) property developer related services; and (iii) value-added services according to the terms as set out in the New Master Services Agreement, subject to the approval by the Independent Shareholders at the EGM. The New Master Services Agreement will be effective from 1 January 2023 to 31 December 2025.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As at the Latest Practicable Date, as (i) Beijing Herun is owned as to 99% and 1% by Mr. Zhao Weihao and his spouse, Ms. Wu Hong, respectively; and (ii) Hongkun Weiye is ultimately wholly beneficially owned by Mr. Zhao Weihao and his associates. Mr. Zhao Weihao is an executive Director and a controlling shareholder of the Company, and therefore Beijing Herun and Hongkun Weiye are connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the New Master Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable ratios under the Listing Rules in respect of the Proposed Annual Caps are higher than 5%, the New Master Services Agreement and the corresponding annual caps are subject to the reporting, annual review, announcement, circular and the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Mr. Zhao Weihao, an executive Director and a controlling Shareholder of the Company, who is also a controlling shareholder of Beijing Herun and Hongkun Weiye, has abstained from voting on the relevant Board resolutions approving the New Master Services Agreement and the corresponding annual caps since they have material interests in the New Master Services Agreement. Save as disclosed above, none of the other Directors has material interests in the New Master Services Agreement and therefore no other Director has abstained from voting on the relevant Board resolutions approving the New Master Services Agreement and the transactions contemplated thereunder, and the Proposed Annual Caps.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders on: (i) whether the terms of the New Master Services Agreement and the corresponding annual caps, are on normal commercial terms or better and fair and reasonable; (ii) whether they are in the interests of the Company and the Shareholders as a whole; and (iii) how to vote on the New Master Services Agreement and the corresponding annual caps. Our appointment as the Independent Financial Adviser in this respect has been approved by the Independent Board Committee.

OUR INDEPENDENCE

We do not have any relationship with or interest in the Company, Beijing Herun, Hongkun Weiye or any other parties that could reasonably be regarded as relevant to our independence. During the two years immediately prior to our appointment, we have neither acted as a financial adviser nor acted as an independent financial adviser to the Company. Apart from normal independent financial advisory fees in connection with this appointment, no arrangements exist whereby we had received or will receive any fees or benefits from the Company, Beijing Herun, Hongkun Weiye or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent pursuant to Rule 13.84 of the Listing Rules.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our advice and recommendation to the Independent Board Committee and the Independent Shareholders, we have reviewed, among other things:

- (i) the Existing Master Services Agreement;
- (ii) the New Master Services Agreement;
- (iii) the Prospectus of the Company dated 28 February 2020;
- (iv) the interim report of the Company for the six months ended 30 June (“HY”) 2022;
- (v) the annual report of the Company for the year ended 31 December (“FY”) 2021; and
- (vi) other information as set out in the Circular.

We have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations made to us by the Company, the Directors and the management of the Company (collectively, the “Management”). We have assumed that all information and representations contained or referred to in the Circular and provided to us by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and continued to be so up to the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the EGM.

We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquiries and careful consideration and there are no other facts not contained in the Circular, the omission of which make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Management, which have been provided to us.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. However, we have not carried out any independent verification of the information provided to us by the Management, nor have we conducted any independent investigation into the business, financial conditions and affairs of the Company or its future prospects.

The Directors jointly and severally accept full responsibility for the accuracy of the information disclosed and confirm, having made all reasonable enquiries that to the best of their

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

knowledge and belief, there are no other facts not contained in this letter, the omission of which would make any statement herein misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of New Master Services Agreement and the corresponding annual caps, and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion in respect of the terms of the New Master Services Agreement and the corresponding annual caps, we have taken into consideration the following principal factors and reasons:

1. Information on the Parties

1.1. The Company

The Company is an exempted company with limited liability under the Companies Law of the Cayman Islands. The Company is principally engaged in provision of property management services in respect of properties in the PRC.

1.2. Beijing Hongkun

Beijing Hongkun is a limited liability company incorporated in the PRC, and its principal businesses include property management, operation and management of public car parks for motor vehicles and real estate brokerage. As at the Latest Practicable Date, Beijing Hongkun is wholly owned by Ye Xing (HK) Holdings Limited, which is wholly owned by Ye Xing Holdings Limited. Ye Xing Holdings Limited is a wholly-owned subsidiary of the Company. Therefore, Beijing Hongkun is an indirect wholly-owned subsidiary of the Company.

1.3. Beijing Herun

As set out in the Letter from the Board, Beijing Herun is a limited liability company incorporated in the PRC. Beijing Herun is principally engaged in property development business in the PRC. As at the Latest Practicable Date, Beijing Herun is owned by Mr. Zhao Weihao and Ms. Wu Hong as to 99% and 1%, respectively.

1.4. Hongkun Weiye

Hongkun Weiye is a limited liability company established under the laws of the PRC on 20 August 2002. Hongkun Weiye is principally engaged in property development business in the PRC. As at the Latest Practicable Date, Hongkun Weiye

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is directly owned by Hongkun Group Management Consulting Co., Ltd., Beijing Hongzhen Management Consulting Co., Ltd. and Hongkun Group Co., Ltd. as to 65%, 25% and 10%, respectively. As at the Latest Practicable Date, Hongkun Weiye is ultimately wholly beneficially owned/controlled by Mr. Zhao Weihao and his associates.

2. The New Master Services Agreement

2.1. *Material terms*

Set out below are the material terms of the New Master Services Agreement:

- Date: 5 December 2022
- Parties: (i) Beijing Hongkun;
(ii) Beijing Herun; and
(iii) Hongkun Weiye
- Term: From 1 January 2023 and ending on 31 December 2025
- Scope of Services: Under the New Master Services Agreement, the Company and its subsidiaries in the PRC will provide to the Parent Group:
- (i) property management services for both residential and non-residential properties, including but not limited to on-site security services, cleaning services, landscaping services, gardening services, repair and maintenance services, management and leasing of parking spaces, customer services and operation and management of unsold/undelivered properties;
 - (ii) property developer related services, including but not limited to planning and design consultancy services, pre-delivery inspection services, sales assistance services, pre-delivery cleaning and preparation services and post-delivery repair services; and

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- (iii) value-added services, including but not limited to home living services, other value-added services that provide convenience to the property owners and residents, and organizing various community activities for property owners and residents to participate.

2.2. Pricing basis

2.2.1. Property Management Services

The service fees shall be a fixed fee to be determined after arm's length negotiations on normal commercial terms taking into account the type, GFA and location of the property, raw material costs, labour costs, operational costs and local government guideline prices, as well as the following factors:

- (i) the range of historical service fees for similar property management services actually incurred in previous cooperation between the relevant parties;
- (ii) the contracted fees under any current or previous contracts for similar property management services between the relevant parties;
- (iii) in relation to the provision of management services for undelivered properties, estimation of the relevant monthly service fees payable based on the estimated annual cap, which shall be estimated in accordance with the estimated total GFA of the properties that may be delivered by Beijing Herun or Hongkun Weiye, to which the relevant property management services are expected to be provided by the Company, during the term of the New Master Services Agreement; and
- (iv) in relation to the provision of management services for unsold properties, estimation of the relevant monthly service fees payable based on the estimated annual cap, which shall be estimated in accordance with Beijing Herun's or Hongkun Weiye's estimated total floor area of unsold properties for the three years ended 31 December 2025.

In determining and ensuring the reasonableness of the service fees for the Property Management Services, the Company will also (a) conduct market price research on similar transactions or projects, and consider and compare the bid-winning prices of at least two other project management companies for the provision of similar services in or around the concerned location; and/or (b) consider and compare the historical bid -winning prices of the Company for the provision of similar services in or around the concerned location (including the

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service fees of at least three projects charged by the Company to customers other than the Parent Group and Hongkun Weiye Group). Based on (a) and/or (b) and the other factors mentioned above, the Company will proceed to decide on and negotiate the relevant service fee. In any event, the fee shall not be higher than the standard fees designated by the relevant government authorities (i.e. the competent branch authorities of the NDRC and the MOHURD in the location where the managed properties are situated) or less favourable to the Company than the service fees charged by the Company to Independent Third Parties for similar services on normal commercial terms.

Assessment

We have randomly selected, obtained and reviewed (i) more than 10 historical agreements entered into between the Company and Beijing Herun covered in each of FY2020, FY2021, and the nine months period ended 30 September 2022 (the “**9M2022**”) (collectively, the “**Review Period**”); (ii) more than 10 historical agreements entered into between the Company and Hongkun Weiye covered the Review Period; (iii) 10 historical agreement entered into between the Company and the independent third parties (“**Sample Contracts from the Independent Third Parties**”) regarding Property Management Services during the Review Period; and (iv) 5 samples of the market price research report prepared by the Company during the Review Period. Having considered that both of the connected sample contracts with Beijing Herun and Hongkun Weiye and the Sample Contracts from the Independent Third Parties have covered each year and period of the Review Period, we are of the view that the sample size is fair and representative. From the connected sample contracts with Beijing Herun and Hongkun Weiye and the Sample Contracts from the independent third parties, we noted that the pricing basis to those services provided to Beijing Herun and Hongkun Weiye were not less favorable than that of the independent third parties.

2.2.2. Property Developer Related Services

The services fees shall be determined after arm’s length negotiations taking into account the following factors:

- (i) in relation to consultancy service fees, the size and location of the property to be sold, the location of the sales center, the anticipated operational costs, the actual numbers of sales staff receiving the consultancy services and of sales centers receiving sales assistance services; Beijing Herun’s or Hongkun Weiye’s current land reserve, historical contracted sales amounts and historical contracted sales growth rates, etc.;

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- (ii) in relation to pre-delivery inspection services, sales assistance services, pre-delivery cleaning and preparation services and post-delivery repair services, the scale of the property to be serviced, the contracted fees under any previous or current contracts for relevant services, the market rates for relevant services, and the estimated fees per square meter for Beijing Herun's or Hongkun Weiye's new projects; and
- (iii) the range of historical service fees for similar services actually incurred in previous cooperation between the relevant parties.

In determining and ensuring the reasonableness of the service fees for the Property Developer Related Services, the Company will also (a) conduct market price research on similar transactions or projects, and consider and compare the bid-winning prices of at least two other project management companies for the provision of similar services in or around the concerned location; and/or (b) consider and compare the historical bid-winning prices of the Company for the provision of similar services in or around the concerned location (including the service fees of projects charged by the Company to customers other than the Parent Group and Hongkun Weiye Group) where available. Based on (a) and/or (b) and the other factors mentioned above, the Company will proceed to decide on and negotiate the relevant service fee. In any event, the fee shall not be less favourable to the Company than the service fees charged by the Company to Independent Third Parties for similar services on normal commercial terms.

Assessment

We have randomly selected, obtained and reviewed (i) more than 10 historical agreements entered into between the Company and Beijing Herun covered the Review Period; (ii) more than 10 historical agreements entered into between the Company and Hongkun Weiye covered the Review Period; (iii) 10 historical agreement entered into between the Company and the independent third parties ("**Sample Contracts from the Independent Third Parties**") regarding Property Developer Related Services during the Review Period; and (iv) 5 samples of the market price research report prepared by the Company during the Review Period. Having considered that both of the connected sample contracts with Beijing Herun and Hongkun Weiye and the Sample Contracts from the Independent Third Parties have covered each year and period of the Review Period, we are of the view that the sample size is fair and representative. From the connected sample contracts with Beijing Herun and Hongkun Weiye and the Sample Contracts from the independent third parties, we noted that the pricing basis to those services provided to Beijing Herun and Hongkun Weiye were not less favorable than that of the independent third parties.

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2.2.3. Value-added Services

The service fees shall be determined with reference to the contracted fees under any previous or current contracts for value-added services between the relevant parties and the market rates for relevant services.

In determining and ensuring the reasonableness of the service fees for the Value-added Services, the Company will also (a) conduct market price research on similar transactions or projects, and consider and compare the bid-winning prices of at least two other project management companies for the provision of similar services in or around the concerned location; and/or (b) consider and compare the historical bid-winning prices of the Company for the provision of similar services in or around the concerned location (including the service fees of at least three projects charged by the Company to customers other than the Parent Group and Hongkun Weiye Group). Based on (a) and/or (b) and the other factors mentioned above, the Company will proceed to decide on and negotiate the relevant service fee. In any event, the fee shall not be less favourable to the Company than the service fees charged by the Company to Independent Third Parties for similar services on normal commercial terms.

Assessment

The Management confirmed that the Company did not provide any Value-added Services to Beijing Herun and Hongkun Weiye during the Review Period and up to the Latest Practicable Date.

2.3. Internal control

As stated in the Letter from the Board, the Company will undertake the following internal control measures to monitor the continuing connected transactions:

- (i) the finance department staff will prepare the relevant information and the chief financial officer will conduct review on the same once every three months to assess whether the transactions are conducted in accordance with the terms of the New Master Services Agreement;
- (ii) the finance department is required to present a summary of continuing connected transactions of the Group the chief financial officer and compliance officer to assess whether such transactions will constitute any disclosure and approval requirement in accordance with the Listing Rules. The continuing connected transactions report is required to be submitted to the audit committee for review during every six months period and the year end;

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- (iii) the audit committee will review the continuing connected transactions every year and confirm that the transactions have been conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and
- (iv) the Company will engage its external auditor to report on the continuing connected transactions every year. The external auditors will review and confirm in the annual report of the Company whether the transactions (i) have been approved by the Board; (ii) were entered into, in all material respects, in accordance with the New Master Services Agreement; and (iii) have not exceeded the Proposed Annual Caps.

The Directors consider that the personnel authorised to execute the above internal control measures possess relevant experience and expertise in relation thereto, and the above internal control measures can ensure that the transactions contemplated under the New Master Services Agreement will be conducted on normal commercial terms in a manner not prejudicial to the interests of the Company and its Shareholders.

Assessment

To assess the effectiveness of the internal control procedures, we have:

- (a) obtained and reviewed the internal procedures guideline of the Company governing the connected transactions which involve, among others, the review of terms of relevant transactions, a feedback mechanism by the approval parties and segregation of duties;
- (b) obtained and reviewed 12 quarterly monitor records during the Review Period regarding the summary of transactions contemplated under the Existing Master Services Agreement of which were prepared and signed by the Company's finance department, then were reviewed and signed by the chief financial officer, an executive director and the internal control and compliance department as to ensure the transaction amounts within the existing annual caps and the transactions were conducted in accordance with Existing Master Services Agreement;
- (c) 2 annual meeting minutes of audit committee meeting during the Review Period for the purpose of ensuring the transactions contemplated under the Existing Master Services Agreement has been (i) within the ordinary businesses of the Company, (ii) on normal commercial terms and conditions, and (iii) in accordance with the Existing Master Services Agreement without exceeding the existing annual caps;

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- (d) 2 Auditor's Confirmation Letters prepared by the auditors of the Company during the Review Period regarding the transactions contemplated under the Existing Master Services Agreement which stated that (i) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have not been approved by the Board, (ii) nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the pricing policies of the Company and the relevant agreements governing such transactions, and (iii) with respect to the aggregate amount of each of the continuing connected transactions, nothing has come to the auditor's attention that causes the auditor to believe that the disclosed continuing connected transactions have exceeded the existing annual caps.

As the samples were randomly selected and covered the Review Period, we consider the samples obtained are fair and representative. In consideration of the above, we concur with the Management that the internal control procedures adopted are sufficient to ensure continuing connected transaction under the New Master Services Agreement will be conducted on normal commercial terms and shall safeguard the interests of the Independent Shareholders.

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2.4. Historical transaction figures and the Proposed Annual Caps

Historical transaction figures

Set out below are (i) the historical transaction amounts in respect of the continuing connected transactions carried out under the Existing Master Services Agreement for the Review Period; and (ii) the historical utilisation rates of the existing annual caps for the period indicated:

	For the year ended 31 December 2020 (RMB million)	For the year ended 31 December 2021 (RMB million)	For the nine months ended 30 September 2022 (RMB million)
Property Management Services	6.0	7.0	1.8
Property Developer Related Services	44.5	42.1	15.5
Value-added Services	—	—	—
Total	50.5	49.1	17.3
Existing annual caps	95.0	95.0	95.0
Historical utilisation rates (%)	53.2	51.6	18.2

As shown in the above table, the existing annual cap for FY2020, FY2021 were not fully utilised and that for 9M2022 was utilised for approximately 18.2% only. After our enquiry with the Management, we understand the low utilisation rate of the existing annual cap was mainly due to the reason that the construction and sales of the real estate projects of Hongkun Weiye and its subsidiaries in various locations of China were adversely affected by the COVID-19 pandemic and the pandemic prevention policies in various regions of China, and the actual demand for the services provided by the Group is not as large as contemplated when the Master Services Agreement was signed.

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Proposed Annual Caps

As stated in the Letter from the Board, the Proposed Annual Caps under the New Master Services Agreement for FY2023, FY2024 and FY2025 (collectively, the “**Cap Period**”) are set out as follows:

	For the year ending 31 December 2023 <i>(RMB million)</i>	For the year ending 31 December 2024 <i>(RMB million)</i>	For the year ending 31 December 2025 <i>(RMB million)</i>
Property Management Services	8.0	8.0	8.0
Property Developer Related Services	36.0	36.0	36.0
Value-added Services	<u>1.0</u>	<u>1.0</u>	<u>1.0</u>
Total	<u><u>45.0</u></u>	<u><u>45.0</u></u>	<u><u>45.0</u></u>

Basis of the Proposed Annual Caps

In determining the Proposed Annual Caps, the Directors have considered the following factors:

- (a) the historical transaction amounts of the service fees payable by the Parent Group and Hongkun Weiye to the Company for the provision of Property Management Services, Property Developer Related Services and Value-added Services, respectively, under the Existing Master Services Agreement;
- (b) the estimated revenue to be recognized in relation to the services to be provided by the Group pursuant to existing contracts and the expected time and volume of delivery for our existing property management projects; and
- (c) the expected volume of the sale of Parent Group and Hongkun Weiye Group, size and number of the property projects to be managed by the Group based on the total GFA of the properties to be delivered by Parent Group and Hongkun Weiye Group, the properties under development held by Parent Group and Hongkun Weiye Group as at the Latest Practicable Date and the estimated time of pre-sales and delivery.

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Assessment

To assess the fairness and reasonableness of the Proposed Annual Caps during the Cap Period, we have obtained and reviewed the forecast of transaction amount for the Cap Period prepared by the Management (the “**Projected Calculation**”).

(a) The expected demand for the Property Management Services

Regarding the expected demand for the Property Management Services, we have (i) reviewed the Projected Calculation of the Parent Group and Hongkun Weiye Group which includes the Property Management Services for all cities during the Cap Period; and (ii) selected by giving regard to the amount of the expected demand for the Property Management Services regardless of the location, obtained and reviewed the forecast supporting documents (including but not limited to the existing construction project planning permits, contracts, government approval documents and construction blueprints etc.) with the aggregate coverage of not less than 30% of the projected total transaction amount of Property Management Services of the Parent Group and Hongkun Weiye Group for FY2023, FY2024 and FY2025, respectively. As the sampling coverage is over the majority of Proposed Annual Caps of Property Management Services for each year during the Cap Period, we consider that the sample size is fair and representative.

Having consider the basis of forecast calculation for Property Management Services and the overall sampling size is over the majority of the Proposed Annual Caps of Property Management Services for the Cap Period, we are of the view that it is reasonable to have the Proposed Annual Caps of Property Management Services.

(b) The expected annual transaction amount of the Property Developer Related Services

Regarding the expected annual transaction amount of the Property Developer Related Services, we have (i) reviewed the Projected Calculation which includes the Property Developer Related Services during the Cap Period; and (ii) selected by giving regard to the amount of the expected demand for the Property Developer Related Services regardless of the location, obtained and reviewed the forecast supporting documents (including but not limited to the existing construction project planning permits, contracts, government approval documents and construction blueprints etc.) with the aggregate coverage of not less than 30% of the projected total transaction amount of Property Developer Related Services of the Parent Group and Hongkun Weiye Group for FY2023, FY2024 and FY2025, respectively. As the sampling coverage is over the majority

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of Proposed Annual Caps of Property Developer Related Services for the Cap Period, we consider the sample size is fair and representative.

Having consider the basis of forecast calculation for Property Developer Related Services and the overall sampling size is over the majority of the Proposed Annual Caps of Property Developer Services for the Cap Period, we are of the view that it is reasonable to have the Proposed Annual Caps of Property Developer Related Services.

(c) The expected annual transaction amount of the Value-added Services

Regarding the expected annual transaction amount of the Value-added Services, we have (i) reviewed the Projected Calculation which includes the Value-added Services during the Cap Period; and (ii) selected by giving regard to the amount of the expected demand for the Value-added Services regardless of the location, obtained and reviewed the forecast supporting documents (including but not limited to the existing construction project planning permits, contracts, government approval documents and construction blueprints etc.) with the aggregate coverage of not less than 50% of the projected total transaction amount of Value-added Services of the Parent Group and Hongkun Weiye Group for FY2023, FY2024 and FY2025, respectively. As the sampling coverage is over the majority of Proposed Annual Caps of Value-added Services for the Cap Period, we consider the sample size is fair and representative.

Having consider the basis of forecast calculation for Value-added Services and the overall sampling size is over the majority of the Proposed Annual Caps of Value-added Services for the Cap Period, we are of the view that it is reasonable to have the Proposed Annual Caps of Value-added Services.

3. Reasons for and benefits of the continuing connected transactions

The Company is principally engaged in property management services, community value-added services and non-property owner valued-added services in the PRC whereas the Beijing Herun and Hongkun Weiye are principally engaged in property development business in the PRC and have developed and/or access to various development projects in the PRC. The Company has been actively communicating with the Beijing Herun and Hongkun Weiye for possible future projects and business plans and expects that the demand for property management services will increase in coming three years due to the increase in the expected GFA of the relevant residential and non-residential property units. By providing services to the Parent Group and Hongkun Weiye Group under the New Master Services Agreement, the Company will be able to generate revenue and increase the level of income of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Letter from the Board, the Company has continuously spent efforts in developing the Company's business and to maximize returns to Shareholders and has been actively communicating with the Beijing Herun and Hongkun Weiye for possible future projects and business plans. The transactions contemplated under the New Master Services Agreement are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of business of the Company. Accordingly, the entering into the New Master Services Agreement is in the interests of the Company and the Shareholders as a whole.

The Directors (excluding the independent non-executive Directors) are of the view that the transactions contemplated under the New Master Services Agreement (i) have been negotiated on an arm's length basis; (ii) are in the ordinary and usual course of business of the Company; (iii) on normal commercial terms or better that are fair and reasonable; and (iv) in the interests of the Company and the Shareholders as a whole. The Directors (excluding the independent non-executive Directors) also confirm that the Proposed Annual Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

In light of the long-established existing cooperation relationship between the Company, Beijing Herun and Hongkun Weiye, we concur with the Directors that entering into the New Master Services Agreement is in the ordinary and usual course of business of the Company and consider continuing such relationship would allow the Company to continue to develop the Company's business and to maximize returns to Shareholders.

RECOMMENDATION

We have considered the above principal factors and reasons and, in particular, having taken into account the following in arriving at our opinion:

- (i) the transactions contemplated under the New Master Services Agreement and the corresponding annual caps are in the ordinary and usual course of business of the Company;
- (ii) the terms of the New Master Services Agreement and the corresponding annual caps are fair and reasonable and in the interests of the Company and Shareholders as a whole; and
- (iii) the determination of the Proposed Annual Caps is fair and reasonable.

Having considered the above, we are of the view that: (i) the terms of the New Master Services Agreement and the corresponding annual caps are fair and reasonable; (ii) the New Master Services Agreement and the corresponding annual caps are on normal commercial terms or better and in the ordinary and usual course of business of the Company, and are in the interest of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

in favour of the resolutions to approve the New Master Services Agreement and the corresponding annual caps to be proposed at the EGM.

Yours faithfully,
For and on behalf of
Zijing Capital Limited
Laurent Leung
Managing Director

Mr. Leung is a Managing Director of Zijing Capital Limited and is licensed under the SFO as a Responsible Officer to conduct Type 6 (advising on corporate finance) regulated activities. Mr. Leung has over 20 years of corporate finance experience in Asia Pacific and has participated in and completed various financial advisory and independent financial advisory transactions.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and Short Positions of Directors and Chief Executive in the Shares, Underlying Shares and Debentures

Save as disclosed below, as at the Latest Practicable Date, none of the Directors and chief executive of the Company had any interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix 10 to the Listing Rules.

Interests in the Company

Name of Director	Nature of interest	Number of Shares held (L) ^(Note 1)	Approximate percentage of shareholding
Mr. Zhao Weihao	Interest held jointly with another person; interest in a controlled corporation ^(Note 2)	237,780,000	58.67%
Ms. Li Yin Ping	Interest in a controlled corporation ^(Note 3)	48,488,000	11.96%

Notes:

1. The letter “L” denotes the long position in the Shares.
2. Ascendor Futur Holding Limited (“**Ascendor Futur**”) directly holds 237,780,000 Shares. Ascendor Futur is wholly and beneficially owned by Will Full Holdings Limited (“**Will Full**”), which is in turn beneficially owned by Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin as to 98.62%, 1.00% and 0.38%, respectively. Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin together indirectly control all Shares held by Ascendor Futur. Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin are parties acting in concert pursuant to the Deed of Acting in Concert. By virtue of the SFO, each of Will Full, Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin is deemed to be interested in the same number of Shares in which Ascendor Futur is interested.
3. Winz Strategy Company Limited (“**Winz Strategy**”) directly holds 48,488,000 Shares. Winz Strategy is wholly and beneficially owned by Ms. Li Yin Ping. By virtue of the SFO, Ms. Li Yin Ping is deemed to be interested in the same number of Shares in which Winz Strategy is interested.

Interests in associated corporation of the Company

Name of Director	Name of associated corporation	Nature of interest	Number of Shares held (L) ^(Note 1)	Approximate percentage of shareholding
Mr. Zhao Weihao	Ascendor Futur	Interest held jointly with another person; interest in a controlled corporation ^(Note 2)	1	100%

Notes:

1. The letter “L” denotes the long position in the shares.
2. Ascendor Futur is wholly and beneficially owned by Will Full, which is in turn beneficially owned by Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin as to 98.62%, 1.00% and 0.38%, respectively.

(b) Interest and short positions of the substantial shareholders' interests in Shares and underlying Shares

As at the Latest Practicable Date, so far as the Directors were aware, the following persons/entities (not being the Director or chief executive of the Company) had, or were deemed to have, interests or short positions in the Shares or underlying Shares which were required to be notified to the Company under Divisions 2 and 3 of part XV of the SFO or which were recorded in the register required to be kept by the Company under Section 336 of the SFO:

Name of Shareholder	Nature of interest	Number of Shares held (L) ^(Note 1)	Approximate percentage of shareholding
Ascendor Futur	Beneficial owner ^(Note 2)	237,780,000	58.67%
Will Full	Interest in a controlled corporation ^(Note 2)	237,780,000	58.67%
Ms. Wu Hong	Interest held jointly with another person; interest in a controlled corporation ^(Note 2)	237,780,000	58.67%
Mr. Zhao Bin	Interest held jointly with another person; interest in a controlled corporation ^(Note 2)	237,780,000	58.67%
Ms. Wang Qian	Interest of spouse ^(Note 3)	237,780,000	58.67%
Winz Strategy	Beneficial owner ^(Note 4)	48,488,000	11.96%
Mr. Chan Sheung Chi	Interest of spouse ^(Note 5)	48,488,000	11.96%

Notes:

- The letter "L" denotes the long position in our Shares.
- Ascendor Futur is wholly and beneficially owned by Will Full. Will Full is beneficially owned by Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin as to 98.62%, 1.00% and 0.38%, respectively. Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin together indirectly control all the Shares held by Ascendor Futur through Will Full. Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin are parties acting in concert pursuant to the Deed of Acting in Concert. By virtue of the SFO, each of Will Full, Mr. Zhao Weihao, Ms. Wu Hong and Mr. Zhao Bin is deemed to be interested in the same number of Shares in which Ascendor Futur is interested.
- Ms. Wang Qian is the spouse of Mr. Zhao Weihao. Ms. Wang Qian is deemed to be interested in the same number of Shares in which Mr. Zhao Weihao is interested by virtue of the SFO.

4. Winz Strategy is wholly and beneficially owned by Ms. Li Yin Ping. By virtue of the SFO, Ms. Li Yin Ping is deemed to be interested in the same number of Shares in which Winz Strategy is interested.
5. Mr. Chan Sheung Chi is the spouse of Ms. Li Yin Ping. Mr. Chan Sheung Chi is deemed to be interested in the same number of Shares in which Ms. Li Yin Ping is interested by virtue of the SFO.

Save as disclosed above, the Company has not been notified of any other relevant interests or short positions in the issued share capital of the Company as at the Latest Practicable Date which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO.

(c) Competing and Other Interests of Directors

As at the Latest Practicable Date, none of the Directors or, so far as is known to them, any of their respective associates was interested in any business (apart from the Group's business) which competes or is likely to compete either directly or indirectly with the Group's business (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder).

(d) Material Interests of the Directors in the Transaction

The Director, Mr. Zhao Weihao, a controlling shareholder of Beijing Herun and Hongkun Weiye and is considered to have a material interest in the transactions contemplated under the New Master Services Agreement. Accordingly, he was required to abstain from voting on the Board resolution approving the New Master Services Agreement and the transactions contemplated thereunder. Save as disclosed above, as no other Directors has a material interest in the New Master Services and the transactions contemplated thereunder, no other Directors is required to abstain from voting in relation to the relevant Board resolution.

3. INTERESTS HELD BY THE DIRECTORS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors had any interest, either directly or indirectly, in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

So far as the Company and Directors are aware after making reasonable enquiries, as at the Latest Practicable Date, none of the Directors was materially interested, either directly or indirectly, in any significant contract or arrangement entered into by the Group that is relevant to the business of the Group and is still valid as at the Latest Practicable Date.

4. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors has or is proposed to have any service contract with any member of the Group that is not determinable within one year without payment of compensation (other than statutory compensation).

5. NO MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up).

6. QUALIFICATION AND CONSENT OF EXPERT

The following are the qualifications of the expert who has been named in this circular or has given its opinion or advice which are contained in this circular:

Name	Qualifications
Zijing Capital Limited	A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

The above expert has confirmed that:

- (a) it has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter, report or opinion (or summaries thereof) (as the case may be) and references to its name herein in the form and context in which it appears;
- (b) as at the Latest Practicable Date, it did not have any shareholding, directly or indirectly, in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) as at the Latest Practicable Date, it did not have any direct or indirect interest in any assets which have been, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

7. DOCUMENTS ON DISPLAY

Electronic copies of the following documents are on display and are published on the website of the Stock Exchange (www.hkexnews.com) and the website of the Company (www.hongkunjwuye.com) for a period of 14 days from the date of this circular:

- (a) the New Master Services Agreement;
- (b) the letter from the Independent Board Committee, the text of which is set out on pages 17 to 18 of this circular;
- (c) the letter from the Independent Financial Adviser, the text of which is set out on pages 19 to 35 of this circular; and
- (d) the written consent referred to in paragraph headed “Qualification and Consent of Expert” of this appendix.

NOTICE OF EXTRAORDINARY GENERAL MEETING

Ye Xing Group Holdings Limited **燁星集團控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1941)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of Ye Xing Group Holdings Limited (the “**Company**”) will be held at 10:00 a.m. at Room 301, No. 8 Hongfu Road, Xihongmen, Daxing District, Beijing, PRC on 19 January 2023, to consider and, if thought fit, pass with or without amendment the following resolution:

ORDINARY RESOLUTION

“**THAT:**

- (a) the master services agreement dated 5 December 2022 entered into between Beijing Hongkun Ruibang Property Management Company Limited (“**Beijing Hongkun**”), Beijing Herun Asset Management Company Limited (“**Beijing Herun**”) and Beijing Hongkun Weiye Real Estate Development Co., Ltd. (“**Hongkun Weiye**”) (the “**Agreement**”), under which Beijing Hongkun will continue to provide property management services for both residential and non-residential properties, property developer related services and value-added services to Beijing Herun (and its subsidiaries) and/or Hongkun Weiye (and its subsidiaries), respectively, and the transactions contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the proposed annual caps of the transactions contemplated under the New Master Services Agreement for each of the three financial years ended 31 December 2025 be and are hereby approved and confirmed; and
- (c) any one director of the Company be and is hereby generally and unconditionally authorised to do all such acts and things, to sign and execute all such documents for and on behalf of the Company as they may consider necessary, appropriate, desirable or expedient to give effect to or in connection with the Agreement and the transactions contemplated thereunder.”

By Order of the Board
Ye Xing Group Holdings Limited
Wu Guoqing
Chairman and executive Director

Hong Kong, 4 January 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. For the purpose of determining the identity of the shareholders entitled to attend and vote at the Meeting, the register of members of the Company will be closed from 16 January 2023 to 19 January 2023, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 13 January 2023.
2. A member of the Company entitled to attend and vote at the Meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorised, and must be deposited with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours (i.e. 10:00 a.m. on 17 January 2023) before the time fixed for holding of the Meeting.
5. As at the date of this notice, the board of Directors comprises Mr. Zhao Weihao, Ms. Wu Guoqing, Ms. Li Yin Ping and Ms. Zhang Chunying as executive Directors; Mr. Li Yifan as non-executive Director and Mr. Chan Cheong Tat, Mr. Cheung Wai Hung, Ms. Chen Weijie and Mr. Leung Ka Wo as independent non-executive Directors.