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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)

INSIDE INFORMATION

This announcement is made by Ye Xing Group Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the inside information provisions under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The Company has become aware that according to a civil ruling (民事裁定書) issued by Xinwu District People’s Court, Wuxi City, Jiangsu Province (江蘇省無錫市新吳區人民法院) (the “**Court**”), an application for the bankruptcy and liquidation of one of the Company’s debtors in the People’s Republic of China (the “**PRC**”), Wuxi Yongqing Real Estate Company Limited* (無錫永慶房地產有限公司) (the “**Debtor**”), by its own debtor has been accepted by the Court (the “**Bankruptcy**”).

The Debtor is principally engaged in real estate development in the PRC and is a former fellow subsidiary of the Company. As disclosed in Note 11 to the condensed consolidated financial statements contained in the interim report for the six months ended 30 June 2022 of the Company, in prior years, the Group entered into several sole agency services agreements with the Debtor for the provision of agency services (the “**Agreements**”). Pursuant to the Agreements, the Group has paid refundable deposits to the Debtor (the “**Refundable Deposits**”) where, upon expiry or termination of the Agreements, any remaining balance of the Refundable Deposits (the “**Receivables**”) should be refunded in full by the Debtor to the Group. Upon expiry of the Agreements, the Debtor failed to refund the Receivables to the Group and, in June 2022, the Group entered into a settlement agreement with the Debtor, pursuant to which the Debtor committed to refund the Receivables to the Group by 30 September 2023. In addition, the Debtor has guaranteed to obtain the Group’s approval before selling certain properties (the “**Assets**”) and that the proceeds from the sale of the Assets would be distributed to the Group with first priority; if the Debtor is not able to refund the Receivables to the Group by 30 September 2023, the Assets will be transferred to the Group to offset the outstanding balance. As at the date of this announcement, according to the internal record of the Group, (i) the outstanding Receivables amounted to approximately RMB30.6 million, and (ii) the other outstanding trade receivables owed by the Debtor to the Group amounted to approximately RMB6.0 million.

In light of the Bankruptcy, the board of directors of the Company (the “**Board**”) is of the view that the Receivables, among others, may not be fully recovered. The Board will closely monitor the progress of the Bankruptcy and take appropriate action to minimize the negative impact on the Group, if any. The Company is in the course of assessing the impact of the outstanding Receivables and other trade receivables owed by the Debtor to the Group possibly being unrecoverable on the Group’s financial performance, and will make further announcement(s) to inform the shareholders and potential investors of any material developments of the matter as and when appropriate.

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

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

Hong Kong, 17 February 2023

As at the date of this announcement, the Board comprises Ms. Wu Guoqing, Mr. Zhao Weihao, Ms. Li Yin Ping and Ms. Zhang Chunying as executive Directors; Mr. Li Yifan as non-executive Director; and Mr. Cheung Wai Hung, Mr. Chan Cheong Tat, Ms. Chen Weijie and Mr. Leung Ka Wo as independent non-executive Directors.

* *For identification purpose only*