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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)

**DISCLOSEABLE AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF PROPERTY**

THE ACQUISITION

The Board is pleased to announce that on 13 September 2021 (after trading hours), Beijing Hongkun, an indirect wholly-owned subsidiary of the Company, and Hongkun Weiye entered into the Sale and Purchase Agreement. Pursuant to the Sale and Purchase Agreement, Hongkun Weiye agreed to dispose of, and Beijing Hongkun agreed to acquire the Property at a consideration of RMB22.76 million (equivalent to approximately HK\$27.39 million).

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but all of them are under 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under chapter 14 of the Listing Rules.

As at the date of this announcement, Hongkun Weiye is beneficially owned as to 98% by Mr. Zhao Weihao. Mr. Zhao Weihao is our Director and controlling shareholder of the Company, and therefore Hongkun Weiye is a connected person of the Company under chapter 14A of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders on the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. Opus Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder where Mr. Zhao Weihao and its associates shall abstain from voting on the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (1) further details of the Sale and Purchase Agreement; (2) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (3) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (4) the notice convening the EGM and the proxy form, is expected to be dispatched to the shareholders of the Company on or before 5 October 2021.

SALE AND PURCHASE AGREEMENT

The major terms of the Sale and Purchase Agreement are as follows:

Date	13 September 2021 (after trading hours)
Parties	(i) Beijing Hongkun (as the buyer); and (ii) Hongkun Weiye (as the seller)
Target	The target of the Acquisition is the property located at No. 205, 2nd Floor, Block B, No. 1 Hong Fu Lu, Daxing Qu, Beijing, PRC* (中華人民共和國北京市大興區宏福路1號院B座第2層205號) with a total gross floor area of 948.6 square meters.
Consideration and Payment	According to the Sale and Purchase Agreement, the total consideration of the Acquisition is RMB22.76 million. Beijing Hongkun shall pay to Hongkun Weiye (i) 30% of the above total consideration, being approximately RMB6.83 million, on the date of the signing of the Sale and Purchase Agreement (which shall be returned to Beijing Hongkun in full in the case where the Acquisition does not complete or the Acquisition is not approved by the Independent Shareholders) and (ii) the remaining 70% of the above total consideration, being approximately RMB15.93 million, within 30 days after the payment described in (i) above subject to Independent Shareholders' approval. The payment of the consideration of the Acquisition will be solely financed by internal resources of the Group and will not affect the Company's original plan on the use of proceeds from its listing on the Main Board of the Stock Exchange. The Property is newly developed by the seller so there is no acquisition cost paid by the seller.

Delivery Hongkun Weiye shall deliver the Property to Beijing Hongkun on the date stated in the Notice of Delivery* (交付通知書) to be issued by Beijing Hongkun.

BASIS OF DETERMINATION OF CONSIDERATION

The consideration of the Acquisition was determined after arm's length negotiation between Beijing Hongkun and Hongkun Weiye in accordance with the valuation report dated 13 September 2021 prepared by the Independent Valuer, according to which as at 31 August 2021 (the valuation benchmark date), the appraised value of the Property is approximately RMB23.24 million.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is intended to be held by Beijing Hongkun for office use. In light of the commercial viability of the Property, the Board (except the Independent Board Committee) considers that the Acquisition is a reasonable and effective utilization of the capital of the Group, which will enable the Group to enhance the Group's capital gain and asset base. As the current tenancy agreement for Beijing Hongkun's office is due to expire in December 2021 and the current rent payable thereunder increased by approximately 3% per annum over the past three years, the Board (except the Independent Board Committee) considers that acquisition of the Property is more cost-efficient in the long run. The Board (except the Independent Board Committee) has assessed the capital requirement for the Group's daily operations and other expenditures, and is of the view that the Acquisition will not adversely affect the operation or working capital needs of the Group in any material respect.

The Board (except the Independent Board Committee) considers that the terms of the Sale and Purchase Agreement are on normal commercial terms and are fair and reasonable, and that the Acquisition is in the interests of the Group and the Shareholders as a whole.

IMPLICATIONS OF THE LISTING RULES

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but all of them are under 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, Hongkun Weiye is beneficially owned as to 98% by Mr. Zhao Weihao. Mr. Zhao Weihao is our Director and controlling shareholder, and therefore Hongkun Weiye is a connected person of the Company under chapter 14A of the Listing Rules. As such, the Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders on the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. Opus Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

EGM

An EGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Sale and Purchase Agreement and the transactions contemplated thereunder where Mr. Zhao Weihao and its associates shall abstain from voting on the resolution(s) approving the Sale and Purchase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (1) further details of the Sale and Purchase Agreement; (2) the letter of recommendation from the Independent Board Committee to the Independent Shareholders; (3) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (4) the notice convening the EGM and the proxy forms, is expected to be dispatched to the shareholders of the Company on or before 5 October 2021.

CONFIRMATION FROM THE DIRECTORS

The Directors (except the Independent Board Committee) have considered and approved the proposal in respect of the Acquisition. They are of the view that: (i) the Acquisition is on normal commercial terms or better terms and in the ordinary and usual course of business of the Group; (ii) the terms and conditions of the Acquisition are fair and reasonable; and (iii) the Acquisition is 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 persons, none of the other Directors has interests in such transaction.

GENERAL INFORMATION

Information on the Company

The Company is an exempted company incorporated in the Cayman Islands with limited liability on 26 March 2019. The principal businesses of the Company include property management.

Information on Beijing Hongkun

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

Information on Hongkun Weiye

Hongkun Weiye is a limited liability company incorporated in the PRC on 20 August 2002, and its principal businesses include real estate development. Hongkun Weiye is beneficially owned as to 98% by Mr. Zhao Weihao and 2% by independent third parties. Mr. Zhao Weihao is our Director and controlling shareholder, and therefore Hongkun Weiye is a connected person of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“Acquisition”	pursuant to the Sale and Purchase Agreement, Hongkun Weiye agreed to dispose of and Beijing Hongkun agreed to acquire the Property at a total consideration of RMB22.76 million
“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 incorporated in the PRC on 18 June 2003
“Board”	the board of directors of the Company
“Company”	Ye Xing Group Holdings Limited (燁星集團控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 26 March 2019
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

“EGM”	extraordinary general meeting of the Company, to be convened to consider and, if thought fit, approve the Sale and Purchase Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hongkun Weiye”	Hongkun Weiye Property Development Company Limited* (北京鴻坤偉業房地產開發有限公司), a limited liability company incorporated in the PRC on 20 August 2002
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent board committee of the Board established by the Board, comprising all the independent non-executive Directors of the Company, namely Mr. Cheung Wai Hung, Mr. Chan Cheong Tat, Ms. Chen Weijie and Mr. Leung Ka Wo, to advise the Independent Shareholders with respect to the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	Opus Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders with regard to the Sale and Purchase Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Independent shareholders of the Company, other than Mr. Zhao Weihao who is required to abstain from voting at the EGM pursuant to the Listing Rules
“Independent Valuer”	Jones Lang LaSalle Corporate Appraisal and Advisory Limited (仲量聯行企業評估及諮詢有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“PRC”	the People’s Republic of China, excluding, for the purposes of this announcement only, the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Property”	the property located at No. 205, 2nd Floor, Block B, No. 1 Hong Fu Lu, Daxing Qu, Beijing, PRC* (中華人民共和國北京市大興區宏福路1號院B座第2層205號) with a total gross floor area of 948.6 square meters
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the property sale and purchase agreement entered into between Beijing Hongkun and Hongkun Weiye on 13 September 2021 (after trading hours), under which Hongkun Weiye agreed to sell and Beijing Hongkun agreed to acquire the Property
“Shareholder(s)”	the shareholder(s) of the Company
“%”	percent

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

Hong Kong, 13 September 2021

* *For identification purpose only*

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.