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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)**

**(1) CONNECTED TRANSACTIONS AND ADVANCE TO ENTITY –  
REFUNDABLE DEPOSITS;  
(2) CONNECTED TRANSACTION – DEPOSITS; AND  
(3) DISCLOSEABLE TRANSACTION – ACQUISITION OF  
CAR PARKING SPACES BY SETTLEMENT OF RECEIVABLES**

**Independent Financial Adviser**



**CONNECTED TRANSACTIONS AND ADVANCE TO ENTITY – REFUNDABLE DEPOSITS**

On 20 May 2020, Hongkun Ruibang Wuxi entered into the Sole Agency Agreement 1 with Wuxi Yongqing, a former fellow subsidiary of the Company, pursuant to which Hongkun Ruibang Wuxi should provide agency services for the lease/right-of-use transfer of 488 car parking spaces developed by Wuxi Yongqing and was required to pay the Refundable Deposits 1 to Wuxi Yongqing to ensure provision of agency services.

On 30 December 2020, Hongkun Ruibang Wuxi entered into the Sole Agency Agreement 2 with Wuxi Yongqing, pursuant to which Hongkun Ruibang Wuxi should provide agency services for the lease/right-of-use transfer of 643 car parking spaces and the sale of 2 shops all developed by Wuxi Yongqing and was required to pay the Refundable Deposits 2 to Wuxi Yongqing to ensure provision of agency services.

**CONNECTED TRANSACTION – DEPOSITS**

On 15 February 2021, Hongkun Ruibang Zhuozhou entered into the Underwriting Agreement with the Zhuozhou Developers, which were fellow subsidiaries of the Company, pursuant to which Hongkun Ruibang Zhuozhou should provide agency services for the lease/right-of-use transfer of 360 car parking spaces developed by the Zhuozhou Developers and was required to pay the Deposits 3 to ensure provision of agency services.

## **DISCLOSEABLE TRANSACTION – ACQUISITION OF CAR PARKING SPACES BY SETTLEMENT OF RECEIVABLES**

On 6 April 2022, Wuxi Yongqing transferred the right-of-use of 232 car parking spaces with a total value of RMB7,888,000 (i.e. based on the price of RMB34,000/space) to Hongkun Ruibang Wuxi in partial settlement of the outstanding Refundable Deposits (the “**Acquisition**”).

### **LISTING RULES IMPLICATIONS**

As at the date of the Sole Agency Agreement 1 and the Sole Agency Agreement 2, respectively, Wuxi Yongqing was wholly-owned by Hongkun Weiye. At the material time, Hongkun Weiye was owned as to approximately 97.73% by Hongkun Jituan Company Limited\* (鴻坤集團有限公司), which was in turn wholly-owned by Beijing Herun Asset Management Company Limited\* (北京合潤資產管理有限公司). Beijing Herun Asset Management Company Limited\* (北京合潤資產管理有限公司) was owned as to 99% and 1% by Mr. Zhao Weihao (“**Mr. Zhao**”) and his mother, Ms. Wu Hong, respectively. Mr. Zhao was an executive Director and a controlling shareholder of the Company, and therefore Wuxi Yongqing was a fellow subsidiary and a connected person of the Company (since 28 September 2021, Wuxi Yongqing has ceased to be a fellow subsidiary of the Company and is no longer a connected person of the Group). Accordingly, each of the Refundable Deposits 1 and the Refundable Deposits 2 constituted a connected transaction of the Company and was therefore subject to the reporting, announcement, circular and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As at the date of the Sole Agency Agreement 2, the Refundable Deposits 1 and the Refundable Deposits 2 in aggregate exceeded 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules) and therefore the Refundable Deposits were also subject to the general disclosure obligation under Rule 13.13 of the Listing Rules.

All of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Underwriting Agreement were under 5%. As at the date of the Underwriting Agreement, Zhuozhou Hongtai and Zhuozhou Hongshun were owned as to 95% and 100%, respectively, by Hongkun Weiye. The Zhuozhou Developers were fellow subsidiaries of the Company and were therefore connected persons of the Company. Accordingly, the Deposits 3 constituted a connected transaction of the Company and was therefore subject to the reporting and announcement requirements, but was exempt from the circular and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

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

## **GENERAL INFORMATION**

Mr. Zhao, an executive Director and a controlling shareholder of the Company, had abstained from voting on the relevant Board resolutions approving, rectifying and confirming the Refundable Deposits and the Deposits 3 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 Refundable Deposits, the Deposits 3 and the Acquisition and/or is required to abstain from voting on the relevant Board resolutions.

## **EGM**

An Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders on the terms of the Refundable Deposits. Maxa Capital 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, rectifying and confirming, the Refundable Deposits where Mr. Zhao and his associates shall abstain from voting on the resolution(s) approving, rectifying and confirming the Refundable Deposits.

A circular containing, among other things, (i) further details of the Refundable Deposits; (ii) a letter from the Independent Board Committee to the Independent Shareholders regarding the Refundable Deposits and its voting recommendations; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Refundable Deposits and its voting recommendations; and (iv) a notice of the EGM is expected to be despatched to the Shareholders on or before 17 October 2023.

## **INTRODUCTION**

On 20 May 2020, Hongkun Ruibang Wuxi entered into the Sole Agency Agreement 1 with Wuxi Yongqing, a former fellow subsidiary of the Company, pursuant to which Hongkun Ruibang Wuxi should provide agency services for the lease/right-of-use transfer of 488 car parking spaces developed by Wuxi Yongqing and was required to pay the Refundable Deposits 1 to Wuxi Yongqing to ensure provision of agency services.

On 30 December 2020, Hongkun Ruibang Wuxi entered into the Sole Agency Agreement 2 with Wuxi Yongqing, pursuant to which Hongkun Ruibang Wuxi should provide agency services for the lease/right-of-use transfer of 643 car parking spaces and the sale of 2 shops all developed by Wuxi Yongqing and was required to pay the Refundable Deposits 2 to Wuxi Yongqing to ensure provision of agency services.

Details of the Agency Services Agreements are as follows:

**(i) Sole Agency Agreement 1**

Date	:	20 May 2020
Parties	:	(1) Hongkun Ruibang Wuxi (as service provider); and (2) Wuxi Yongqing.
Services	:	Provision of agency services for the lease/right-of-use transfer of 488 car parking spaces developed by Wuxi Yongqing
Term	:	20 May 2020 to 19 May 2021
Service fees	:	The amount in excess of the base price of the car parking spaces (i.e. RMB40,000/space) received from the lessee(s)/transferee(s) of the relevant car parking spaces. In the event that the actual amount received from the lessee(s)/transferee(s) is lower than the base price, Hongkun Ruibang Wuxi is required to pay such shortfall to Wuxi Yongqing (Wuxi Yongqing is entitled to deduct such shortfall from the Refundable Deposits 1 paid by Hongkun Ruibang Wuxi).
Settlement terms	:	Hongkun Ruibang Wuxi should submit to Wuxi Yongqing by the 3rd day of each month the details of the lease/right-of-use transfer of car parking spaces (including the total amount received from the lessee(s)/transferee(s)) for the preceding calendar month. Wuxi Yongqing should approve the details and pay Hongkun Ruibang Wuxi the relevant service fees within 3 working days after receipt of such details.

Refundable deposits : Hongkun Ruibang Wuxi is required to pay the Refundable Deposits 1 to Wuxi Yongqing that are equivalent to the total base price of all the car parking spaces in the amount of approximately RMB19.52 million to ensure the provision of agency services.

Where agreements for the sale/right-of-use transfer of car parking spaces have been entered into between Wuxi Yongqing and the lessee(s)/transferee(s) for 50% of all the car parking spaces, Wuxi Yongqing should refund 50% of the Refundable Deposits 1 to Hongkun Ruibang Wuxi. Thereafter, where agreements have been entered into between Wuxi Yongqing and the lessee(s)/transferee(s) for every other 10% of all the car parking spaces, Wuxi Yongqing should refund 10% of the Refundable Deposits 1 to Hongkun Ruibang Wuxi.

Wuxi Yongqing should refund all the remaining balance of the Refundable Deposits 1 to Hongkun Ruibang Wuxi within 3 working days upon expiry of the agreement.

**(ii) Sole Agency Agreement 2**

Date : 30 December 2020

Parties : (1) Hongkun Ruibang Wuxi (as service provider); and  
(2) Wuxi Yongqing.

Services : Provision of agency services for the lease/right-of-use transfer of 643 car parking spaces and the sale of 2 shops all developed by Wuxi Yongqing

Term : 1 January 2021 to 31 December 2021

Service fees : The amount in excess of the base price of the car parking spaces and shops (i.e. RMB40,000/space and RMB13,000/m<sup>2</sup>, respectively) received from the lessee(s)/transferee(s) of the relevant car parking spaces and the purchaser(s) of the relevant shops.

Settlement terms : Payments from the lessee(s)/transferee(s) of the car parking spaces and/or the purchaser(s) of the shops are collected by Hongkun Ruibang Wuxi on behalf of Wuxi Yongqing.

Hongkun Ruibang Wuxi should submit to Wuxi Yongqing by the 5th day of each month the details of the lease/right-of-use transfer of car parking spaces and/or the sale of shops (including the total amount received from the lessee(s)/transferee(s) and/or purchaser(s)) for the preceding calendar month. Wuxi Yongqing should approve the details within 3 working days after receipt of such details, and Hongkun Ruibang Wuxi should pay the total amount of base price of the leased/transferred car parking spaces and/or sold shops to Wuxi Yongqing within 10 working days after the approval.

Refundable deposits : Hongkun Ruibang Wuxi is required to pay the Refundable Deposits 2 to Wuxi Yongqing that are equivalent to the total base price of all the car parking spaces and shops in the amount of approximately RMB31.56 million to ensure the provision of agency services.

Within 30 days after receipt of the total amount of base price of the leased/transferred car parking spaces and/or sold shops by Wuxi Yongqing from Hongkun Ruibang Wuxi (as set out in the settlement terms above), Wuxi Yongqing should refund the Refundable Deposits 2 for the corresponding leased/transferred car parking spaces and/or sold shops to Hongkun Ruibang Wuxi.

In the event that there are car parking spaces not leased/transferred and/or shops unsold when the agreement expires, and the term of the agreement is not extended, Wuxi Yongqing should refund all the remaining balance of the Refundable Deposits 2 to Hongkun Ruibang Wuxi within 10 working days upon expiry of the agreement.

On 15 February 2021, Hongkun Ruibang Zhuozhou entered into the Underwriting Agreement with the Zhuozhou Developers, which were fellow subsidiaries of the Company, pursuant to which Hongkun Ruibang Zhuozhou should provide agency services for the lease/right-of-use transfer of 360 car parking spaces developed by the Zhuozhou Developers and was required to pay the Deposits 3 to ensure provision of agency services.

Details of the Underwriting Agreement are as follows:

Date	:	15 February 2021
Parties	:	(1) Hongkun Ruibang Zhuozhou (as service provider);  (2) Zhuozhou Hongtai; and  (3) Zhuozhou Hongshun.
Services	:	Provision of agency services for the lease/right-of-use transfer of 360 car parking spaces developed by the Zhuozhou Developers
Term	:	15 February 2021 to the date on which all the car parking spaces are sold
Service fees	:	The amount in excess of the base price of the car parking spaces (i.e. in the range of RMB25,000 to RMB53,500/ space depending on the type of the car parking spaces) received from the lessee(s)/transferee(s) of the relevant car parking spaces.
Settlement terms	:	Payments from the lessee(s)/transferee(s) of the car parking spaces are collected by Hongkun Ruibang Zhuozhou. The base prices of the car parking spaces that have been sold are set off against the Deposits 3.
Non-refundable deposits	:	Hongkun Ruibang Zhuozhou is required to pay the non-refundable Deposits 3 to the Zhuozhou Developers in the total amount of approximately RMB10.8 million based on the sum of RMB30,000/space to ensure the provision of agency services for all the car parking spaces.

Wuxi Yongqing agreed to partially settle the outstanding Refundable Deposits by way of transfer of assets to Hongkun Ruibang Wuxi. On 6 April 2022, Hongkun Ruibang Wuxi entered into the Transfer Agreement with Wuxi Yongqing, pursuant to which Wuxi Yongqing agreed to transfer the right-of-use of 232 car parking spaces to Hongkun Ruibang Wuxi.

Details of the Transfer Agreement are as follows:

Date	:	6 April 2022
Parties	:	(1) Hongkun Ruibang Wuxi; and (2) Wuxi Yongqing.
Assets	:	The right-of-use for 20 years of 232 car parking spaces, of which 133 were the unsold car parking spaces in respect of which agency services were provided under the Sole Agency Agreement 1 and 99 were the unsold car parking spaces in respect of which agency services were provided under the Sole Agency Agreement 2.
Consideration	:	RMB7,888,000 (i.e. RMB34,000/space)
Settlement terms	:	Wuxi Yongqing has settled the total sum of the consideration to Hongkun Ruibang Wuxi.

As at the date of this announcement, out of the total sum of Refundable Deposits (i) RMB12,630,325 has been paid to the Group, (ii) RMB7,888,000 has been settled by the Acquisition and (iii) RMB30,566,475 remained outstanding. The Company is taking active steps to recover the outstanding Refundable Deposits.

### **REASONS FOR AND BENEFITS OF THE REFUNDABLE DEPOSITS AND DEPOSITS 3 ARRANGEMENTS AND THE ACQUISITION**

Each of the Agency Services Agreements was entered into under the CCT Agreement and the service fees derived from the Agency Services Agreements belonged to, and had been counted towards, the annual caps of “Parent Group Property Developer Related Services” under the CCT Agreement. The annual cap of “Parent Group Property Developer Related Services” for each of the three financial years ended 31 December 2022 under the CCT Agreement had not been exceeded.

Under the Agency Services Agreements, Hongkun Ruibang Wuxi agreed to pay the Refundable Deposits since it is a customary arrangement in the industry that was ancillary to the Agency Services Agreements in order for Hongkun Ruibang Wuxi to obtain and secure the exclusive right to provide sales agency services for Wuxi Yongqing, and it is conducive for the Group to ensure a stable income stream and enhance profitability as a whole. Likewise, under the Underwriting Agreement, Hongkun Ruibang Zhuozhou agreed to pay the Deposits



3 as it is a customary industrial practice that was ancillary to the Underwriting Agreement in order for Hongkun Ruibang Zhuozhou to obtain and secure the exclusive right to provide sales agency services for Zhuozhou Hongtai and Zhuozhou Hongshun, and it is conducive for the Group to ensure a stable income stream and enhance profitability as a whole.

The Acquisition was for the purpose of partial settlement of the outstanding Refundable Deposits, under which the Group acquired the right-of-use of certain car parking spaces to expedite the recovery of the outstanding Refundable Deposits.

The Directors (except the members of the Independent Board Committee whose views will be given after taking into account the advice from the Independent Financial Adviser) are of the view that the terms of the Refundable Deposits and the Deposits 3 arrangements as well as the Acquisition were fair and reasonable, on normal commercial terms or better and in the ordinary and usual course of business of the Company, and were in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As at the date of the Sole Agency Agreement 1 and the Sole Agency Agreement 2, respectively, Wuxi Yongqing was wholly-owned by Hongkun Weiye. At the material time, Hongkun Weiye was owned as to approximately 97.73% by Hongkun Jituan Company Limited\* (鴻坤集團有限公司), which was in turn wholly-owned by Beijing Herun Asset Management Company Limited\* (北京合潤資產管理有限公司). Beijing Herun Asset Management Company Limited\* (北京合潤資產管理有限公司) was owned as to 99% and 1% by Mr. Zhao and his mother, Ms. Wu Hong, respectively. Mr. Zhao was an executive Director and a controlling shareholder of the Company, and therefore Wuxi Yongqing was a fellow subsidiary and a connected person of the Company (since 28 September 2021, Wuxi Yongqing has ceased to be a fellow subsidiary of the Company and is no longer a connected person of the Group). Accordingly, each of the Refundable Deposits 1 and the Refundable Deposits 2 constituted a connected transaction of the Company and was therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

As at the date of the Sole Agency Agreement 2, the Refundable Deposits 1 and the Refundable Deposits 2 in aggregate exceeded 8% of the assets ratio (as defined under Rule 14.07(1) of the Listing Rules) and therefore the Refundable Deposits were also subject to the general disclosure obligation under Rule 13.13 of the Listing Rules.

All of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Underwriting Agreement were under 5%. As at the date of the Underwriting Agreement, Zhuozhou Hongtai and Zhuozhou Hongshun were owned as to 95% and 100%, respectively, by Hongkun Weiye. The Zhuozhou Developers were fellow subsidiaries of the Company and were therefore connected persons of the Company. Accordingly, the Deposits 3 constituted a connected transaction of the Company and was therefore subject to the reporting and announcement requirements, but was exempt from the circular and shareholders' approval requirements under Chapter 14A of the Listing Rules.

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

## **GENERAL INFORMATION**

Mr. Zhao, an executive Director and a controlling shareholder of the Company, had abstained from voting on the relevant Board resolutions approving, rectifying and confirming the Refundable Deposits and the Deposits 3 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 Refundable Deposits, the Deposits 3 and the Acquisition and/or is required to abstain from voting on the relevant Board resolutions.

## **INFORMATION ABOUT 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.

### **Hongkun Ruibang**

Hongkun Ruibang is a limited liability company established under the laws of 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 of this announcement, Hongkun Ruibang 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, Hongkun Ruibang is an indirect wholly-owned subsidiary of the Company. Each of Hongkun Ruibang Wuxi and Hongkun Ruibang Zhuozhou is a branch of Hongkun Ruibang.

### **Zhuozhou Hongtai**

Zhuozhou Hongtai is a limited liability company established under the laws of the PRC on 1 February 2013, and its principal businesses include real estate development and management and real estate brokerage. As at the date of this announcement, Zhuozhou Hongtai is wholly-owned by Hongkun Weiye, which is ultimately wholly beneficially owned/controlled by Mr. Zhao and his associates. Zhuozhou Hongtai is therefore a connected person of the Company.

## **Zhuozhou Hongshun**

Zhuozhou Hongshun is a limited liability company established under the laws of the PRC on 8 January 2014, and its principal businesses include real estate development and management, real estate information consultation and real estate brokerage. As at the date of this announcement, Zhuozhou Hongshun is owned as to 90% by Hongkun Weiye and is therefore a connected person of the Company.

## **Wuxi Yongqing**

Wuxi Yongqing is a limited liability company established under the laws of the PRC on 27 January 2011, and its principal businesses include real estate development and management, real estate brokerage and real estate maintenance. As at the date of this announcement, Wuxi Yongqing is owned as to 60% by Beijing Furun Taishun Technology Co., Ltd.\* (北京富潤泰順科技有限公司) (“**Furun Taishun**”), which is in turn wholly-owned by Beijing Kunsheng Taishun Technology Co., Ltd.\* (北京坤晟泰順科技有限公司). Beijing Kunsheng Taishun Technology Co., Ltd.\* (北京坤晟泰順科技有限公司) is owned as to 60% by Ms. Chen Shan\* (陳珊) and 40% by Mr. Cong Ziqin\* (叢滋勤). To the best knowledge, information and belief of the Directors having made all reasonable enquiries, each of Ms. Chen Shan\* (陳珊) and Mr. Cong Ziqin\* (叢滋勤) is a third party independent of the Company and its connected persons.

## **NON-COMPLIANCE WITH THE LISTING RULES**

The Company did not recognize that (i) the Refundable Deposits should be treated as provision of financial assistance to Wuxi Yongqing and constituted “connected transactions” pursuant to Chapter 14A of the Listing Rules at the time when Hongkun Ruibang Wuxi entered into the Agency Services Agreements, and (ii) the Deposits 3 should be treated as provision of financial assistance to the Zhuozhou Developers and constituted a separate “connected transaction” pursuant to Chapter 14A of the Listing Rules at the time when Hongkun Ruibang Zhuozhou entered into the Underwriting Agreement. Accordingly, due to the Company’s inadvertent oversight of the nature of the Refundable Deposits and the Deposits 3 arrangements and misunderstanding that such arrangements were purely a customary industrial practice that was ancillary to the Agency Services Agreement or the Underwriting Agreement (as the case may be) and did not constitute a “transaction” by itself, the Company has failed to comply with the reporting and announcement requirements (as well as the circular and shareholders’ approval requirements, as the case may be) under Chapter 14A of the Listing Rules in relation to each of the Refundable Deposits 1, the Refundable Deposits 2 and the Deposits 3.

In addition, the Company assessed and calculated the size tests in respect of the Acquisition on 28 March 2022, which was close to but ahead of such transaction, where all of the applicable percentage ratios in respect of the Acquisition were under 5%. Unfortunately, after 28 March 2022, there was a decrease in the market capitalization of the Company which led to an increase in the consideration ratio on the date of the Acquisition. Due to the discrepancies in the results of the relevant size tests calculation on the date of the Company’s assessment

and the date of the Acquisition, respectively, and the Company's inadvertent oversight, the Company has failed to comply with the reporting and announcement requirements in relation to the Acquisition.

## **REMEDIAL ACTIONS**

### **EGM**

An Independent Board Committee (comprising all independent non-executive Directors) has been established to advise the Independent Shareholders on the terms of the Refundable Deposits. Maxa Capital 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, rectifying and confirming, the Refundable Deposits where Mr. Zhao and his associates shall abstain from voting on the resolution(s) approving, rectifying and confirming the Refundable Deposits.

A circular containing, among other things, (i) further details of the Refundable Deposits; (ii) a letter from the Independent Board Committee to the Independent Shareholders regarding the Refundable Deposits and its voting recommendations; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders regarding the Refundable Deposits and its voting recommendations; and (iv) a notice of the EGM is expected be despatched to the Shareholders on or before 17 October 2023.

### **Other Actions**

In view of the non-compliance with the Listing Rules as mentioned above, the Company has taken or will take remedial actions including the following:

- (i) all the Directors have received a special training session on the regulatory and compliance requirements under the Listing Rules, in particular, the disclosure and approval requirements under Chapters 13, 14 and 14A of the Listing Rules, provided by the Hong Kong legal advisors of the Company;
- (ii) the Company publishes this announcement in relation to the Refundable Deposits, the Deposits 3 and the Acquisition and their respective Listing Rules implications to inform and provide relevant details to the Shareholders;
- (iii) going forward, the Company will actively involve its professional advisors, including its legal advisors, in reviewing significant contracts with third parties and assessment results of the applicable size tests of relevant transactions to prevent non-compliances of a similar nature. The Company will also strictly control the internal process regarding compliance and risk control matters of its businesses, thereby avoiding the re-occurrence of similar incidents; and

- (iv) the Company is actively communicating and discussing with Hongkun Weiye (i.e. the sole shareholder of Wuxi Yongqing at the time when Hongkun Ruibang Wuxi entered into the Agency Services Agreements) regarding the settlement (by cash, valuable assets or otherwise) of, or provision of guarantee or other indemnity measures for, the outstanding Refundable Deposits by Hongkun Weiye and/or Furun Taishun (the current controlling shareholder of Wuxi Yongqing). For the latest updates, please refer to the announcement of the Company dated 26 September 2023 in relation to the major and connected transaction.

To safeguard the interests of the Group and the Shareholders as a whole, the Group has adopted and will continue to adhere to the following internal control procedures:

- (a) providing continuous internal trainings on notifiable and/or connected transactions to all the relevant personnel, accounting staff, internal auditor and senior management in all business departments of members of the Group on a regular basis to reinforce and re-explain the relevant requirements under Chapters 13, 14 and 14A of the Listing Rules;
- (b) reporting any potential notifiable and/or connected transaction(s) to the relevant personnel and senior management of the Company in advance in order to ascertain whether there will be any implications under the Listing Rules; and
- (c) for any potential transaction(s) which may constitute new notifiable and/or connected transaction(s) of the Group, consulting professional advisors and the Stock Exchange (where necessary) in a timely manner prior to entering into such transaction(s).

In order to ensure proper compliance with the Listing Rules in the future, the Company is in the process of reviewing and enhancing the Group's internal control measures to ensure that all transactions are properly disclosed under Chapters 13, 14 and/or 14A of the Listing Rules.

The Company will continue to comply with the requirements under the Listing Rules, carry out relevant corporate governance procedures and make appropriate disclosure in a timely manner to ensure compliance with the Listing Rules.

## **DEFINITIONS**

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

“Agency Services Agreements”	the Sole Agency Agreement 1 and the Sole Agency Agreement 2
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors of the Company

“CCT Agreement”	the master services agreement entered into between Hongkun Ruibang and Beijing Herun Asset Management Company Limited* (北京合潤資產管理有限公司) on 25 February 2020
“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
“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Deposits 3”	the total amount of approximately RMB10.8 million payable by Hongkun Ruibang Zhuozhou to the Zhuozhou Developers which is based on the sum of RMB30,000/space for all the car parking spaces under the Underwriting Agreement
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company, to be convened for the Independent Shareholders to, among other things, consider and, if thought fit, approve, rectify and confirm the Refundable Deposits
“Group”	the Company, its subsidiaries and entities under the Company’s control through contractual arrangements in the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongkun Ruibang”	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 is an indirect wholly-owned subsidiary of the Company as at the date of this announcement
“Hongkun Ruibang Wuxi”	Beijing Hongkun Ruibang Property Management Company Limited Wuxi Branch* (北京鴻坤瑞邦物業管理有限公司無錫分公司), the Wuxi branch of Hongkun Ruibang
“Hongkun Ruibang Zhuozhou”	Beijing Hongkun Ruibang Property Management Company Limited Zhuozhou Branch* (北京鴻坤瑞邦物業管理有限公司涿州分公司), the Zhuozhou branch of Hongkun Ruibang

“Hongkun Weiye”	Beijing Hongkun Weiye Real Estate Development Company Limited (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
“Independent Board Committee”	an independent board committee of the Board established by the Board, comprising all the independent non-executive Directors, namely Mr. Chan Cheong Tat, Mr. Cheung Wai Hung, Ms. Chen Weijie and Mr. Leung Ka Wo, to advise the Independent Shareholders with respect to the Refundable Deposits
“Independent Financial Adviser” or “Maxa Capital”	Maxa 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 Refundable Deposits
“Independent Shareholders”	independent Shareholders, other than Mr. Zhao Weihao who is required to abstain from voting at the EGM pursuant to the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended or supplemented from time to time
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Refundable Deposits”	the Refundable Deposits 1 and the Refundable Deposits 2
“Refundable Deposits 1”	the amount of approximately RMB19.52 million payable by Hongkun Ruibang Wuxi to Wuxi Yongqing which is equivalent to the total base price of all the car parking spaces under the Sole Agency Agreement 1
“Refundable Deposits 2”	the amount of approximately RMB31.56 million payable by Hongkun Ruibang Wuxi to Wuxi Yongqing which is equivalent to the total base price of all the car parking spaces and shops under the Sole Agency Agreement 2

“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of the Company
“Sole Agency Agreement 1”	the sole agency services agreement entered into between Hongkun Ruibang Wuxi and Wuxi Yongqing on 20 May 2020
“Sole Agency Agreement 2”	the sole agency services agreement entered into between Hongkun Ruibang Wuxi and Wuxi Yongqing on 30 December 2020
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Transfer Agreement”	the car parking spaces right-of-use transfer agreement entered into between Hongkun Ruibang Wuxi and Wuxi Yongqing on 6 April 2022
“Underwriting Agreement”	the car parking spaces underwriting agreement entered into between Hongkun Ruibang Zhuozhou and the Zhuozhou Developers on 15 February 2021
“Wuxi Yongqing”	Wuxi Yongqing Real Estate Company Limited* (無錫永慶房地產有限公司), a limited liability company established under the laws of the PRC on 27 January 2011
“Zhuozhou Developers”	Zhuozhou Hongtai and Zhuozhou Hongshun
“Zhuozhou Hongshun”	Zhuozhou Hongshun Real Estate Development Co., Ltd.* (涿州鴻順房地產開發有限公司), a limited liability company established under the laws of the PRC on 8 January 2014
“Zhuozhou Hongtai”	Zhuozhou Hongtai Real Estate Development Co., Ltd.* (涿州鴻泰房地產開發有限公司), a limited liability company established under the laws of the PRC on 1 February 2013

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

Hong Kong, 26 September 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