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Baiying Holdings Group Limited

百應控股集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8525)

DECISION OF GEM LISTING REVIEW COMMITTEE AND SUSPENSION OF TRADING

This announcement is made by Baiying Holdings Group Limited (the “**Company**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcement and supplemental announcement of the Company both dated 6 December 2024 in relation to, among other matters, the decision of the Listing Division of the Stock Exchange (the “**Listing Division**”) that the Company had failed to maintain a sufficient level of operations and assets as required under Rule 17.26 of the GEM Listing Rules (the “**LD Decision**”), (ii) the announcement of the Company dated 13 December 2024 in relation to the request of the Company for a review by the GEM Listing Committee of the Stock Exchange (the “**Listing Committee**”) of the LD Decision, (iii) the announcement of the Company dated 7 March 2025 in relation to, among other matters, the decision of the Listing Committee that the Company failed to maintain a sufficient level of operations and assets as required under Rule 17.26 of the GEM Listing Rules (the “**GLC Decision**”), and (iv) the announcement of the Company dated 17 March 2025 in relation to the request of the Company for a review by the GEM Listing Review Committee of the Stock Exchange (the “**Listing Review Committee**”) of the GLC Decision (the “**Announcements**”). Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

DECISION OF THE LISTING REVIEW COMMITTEE

The Board wishes to inform the Shareholders and Potential Investors of the Company that the review hearing of the GLC Decision by the Listing Review Committee (the “**Review Hearing**”) was held on 6 May 2025. On 6 June 2025, the Company received a letter from the Stock Exchange (the “**LRC Decision Letter**”) notifying the Company that the Listing Review Committee, having considered, among other things, the submissions presented by the Company and the Listing Division, was of the view that the Company failed to maintain a business with a sufficient level of operations and assets as required under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of the shares of the Company (the “**Shares**”), and decided to uphold the GLC Decision to suspend trading in the Shares under Rule 9.04(3) of the GEM Listing Rules (the “**LRC Decision**”).

REASONS FOR THE GLC DECISION

According to the LRC Decision Letter, the Listing Review Committee considered the following points in reaching the LRC Decision:

Lack of clear business plan

1. The Company’s business has been in decline since 2021 due to decreasing revenue from the Financial Service Business. Shortly before the first suspension decision made by the Listing Review Committee on 25 October 2023 (the “**First Suspension Decision**”), the Company commenced the Vinegar Business which was intended to be a major revenue contributor to the Company. The Company expected that the unprofitability of the Vinegar Business would be short-lived and confined to the initial investment stage, and the main investments in the Vinegar Business had been made, the Company however now foresees that the Vinegar Business would be loss-making in the coming few years, and requires more investment to become profitable.
2. The Listing Review Committee noted the short space of time between the First Suspension Decision and the disposal of Vinegar Business (the “**Disposal**”), and questioned why the reasons provided by the Company for the Disposal could not have been foreseen by the Company.
3. The Company now intends to redirect its attention back to its core business, the Financial Service Business. It has also been exploring the expansion of services in the financial services industry, and commenced fintech business (“**Fintech Business**”) in February 2025. The Fintech Business has a limited track record and no forecasts or figures as to how this new business is expected to contribute to the Company’s performance have been provided.
4. The GEM Listing Review Committee shared the Listing Division’s concern that the Company appeared to have no clear business plans, hence the general concern regarding the sustainability of the Company’s business.

Sustainability of Financial Services Business and excessive reliance on controlling shareholder

5. Notwithstanding the recent rapid growth of the Company's new finance lease transactions, and the Company's confidence that such growth can be maintained and that it would be able to obtain the financing required to develop this business, the Listing Review Committee shared the concerns of the Listing Division and the Listing Committee on the sustainability of the Financial Service Business.
6. The Listing Review Committee noted that despite the rapid growth of new transactions submitted by the Company, the revenue for the Financial Service Business segment in 2024 was a historic low. The forecasted interest income for 2025 was also minimal.
7. Further, the achievability of the forecasted revenue for 2025 and 2026 was uncertain, given that a significant portion of the forecast is dependent upon the potential projects which had yet to be signed (although some had been conditionally approved by the Company's risk committee). The sustainability of the Financial Service Business is also dependent on the completion of the Disposal as anticipated by the Company, as the proceeds from the Disposal are intended to support the development of the Financial Service Business. The Listing Review Committee maintains this view despite noting that subsequent to the hearing, the Disposal was approved by the Company's independent shareholders on 3 June 2025.
8. The Listing Review Committee also shared the Listing Division's concerns as to the sustainability of the pipeline of new finance lease contracts. The Company acknowledged that its clients are mainly concentrated in the Fujian region, where its controlling shareholder is based. Although the controlling shareholder does not directly refer clients to the Company, the Company benefited from the information and reputation provided by its controlling shareholder to attract clients.
9. The Company is also reliant on the support of its controlling shareholder in terms of financing. The Company is reliant upon banking facilities guaranteed by its controlling shareholder. Without this support, the interest costs of the Company might be higher.
10. The Listing Review Committee noted that the Company had stated in its prospectus that it is financially independent of its controlling shareholder, and that it is able to obtain financing from third parties or working capital from its internally generated funds without reliance on its controlling shareholder. The current situation suggests that this is not (or no longer) the case. The Listing Review Committee considers that there is uncertainty as to the Company's ability to obtain external financing without the support of its controlling shareholders, and the viability of the Company's business independent of its controlling shareholders.

SUSPENSION OF TRADING

At the request of the Company, trading in the Shares of the Company on the Stock Exchange will be suspended with effect from 9:00 a.m. on Monday, 9 June 2025 and will remain suspended until the trading of the Shares is allowed to resume by the Stock Exchange after re-compliance with Rule 17.26 of the GEM Listing Rules, fulfilment of any resumption guidance that may be set by the Stock Exchange and full compliance with the GEM Listing Rules to the satisfaction of the Stock Exchange. Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of the Shares if trading remains suspended for a continuous period of 12 months.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Shareholders and Potential Investors who have any queries about the implications of the GLC Decision and suspension of trading of Shares are advised to obtain appropriate professional advice. Shareholders and Potential Investors are advised to exercise caution when dealing in the Shares.

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

Fujian Province, the PRC, 8 June 2025

As of the date of this announcement, the executive Directors are Mr. Zhou Shiyuan, Ms. Lin Zhenyan and Mr. Huang Dake; the non-executive Director is Mr. Ke Jinding; and the independent non-executive Directors are Mr. Li Yao, Mr. Xie Mianbi and Mr. Tu Liandong.

This announcement, for which Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (1) the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Listed Company Information” page of the Exchange’s website at www.hkexnews.hk for at least 7 days from the date of its posting and on the Company’s website at www.byleasing.com.