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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)

DISCLOSEABLE TRANSACTION IN RELATION TO THE CONSTRUCTION CONTRACT

CONSTRUCTION CONTRACT

On 27 December 2023 (after market close), Qiaoxin, an indirectly wholly-owned subsidiary of the Company, entered into the Construction Contract with the Contractor in relation to the Construction Project in the Contract Sum of RMB29,000,000 (equivalent to approximately HK\$31,502,700).

The Construction Project involves the construction of a vinegar production factory and storage facility situated at the Land Parcel located in Fujian, the PRC.

GEM LISTING RULES IMPLICATION

As one or more applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Construction Project contemplated under the Construction Contract are more than 5% but less than 25%, the entering into the Construction Contract constitutes a discloseable transaction of the Company under the GEM Listing Rules and is subject to notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

INTRODUCTION

The Board announces that on 27 December 2023 (after market close), Qiaoxin, an indirectly wholly-owned subsidiary of the Company, entered into the Construction Contract with the Contractor in relation to the Construction Project in the Contract Sum of RMB29,000,000 (equivalent to approximately HK\$31,502,700).

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CONSTRUCTION CONTRACT

The principal terms of the Construction Contract are summarised as follows:

Date:	27 December 2023 (after market close)
Parties:	(1) Qiaoxin; and (2) the Contractor.
Scope of construction services:	All construction works in relation to the Construction Project as stated in the blueprints.
Construction period:	The total construction period is 270 calendar days for the first construction section and 320 calendar days for the second construction section. The commencement date of the Construction Project shall be subject to the written notice issued by Qiaoxin.
Contract Sum:	The Contract Sum of RMB29,000,000 (equivalent to approximately HK\$31,502,700).

The Contractor has been selected through a tender process and the Contract Sum was determined after arm's length negotiation between Qiaoxin and the Contractor, with reference to the local market conditions, local rules and regulations in relation to the construction price, advice from independent project supervisor engaged by the Group, the complexity of the design, the material used and the size of the Construction Project.

The Contract Sum will be financed by the Group's internal resources.

Payment terms:	The Contract Sum will be paid to the Contractor via bank transfer according to the following schedule: (i) 85% of the Contract Sum shall be paid as progress payments by Qiaoxin monthly; (ii) 88% of the Contract Sum shall be paid by Qiaoxin after the completion of the outside support frame; (iii) 92% of the Contract Sum shall be paid within 15 business days after passing the quality inspection on the Construction Project by the Construction Safety and Quality Supervision Station (建築工程安全質量監督站) and completion of the relevant filing by Qiaoxin;
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- (iv) 97% of the Contract Sum shall be paid within one month after passing the settlement audit and filing with relevant authorities; and
- (v) the remaining 3% of the Contract Sum shall be paid as retention money pursuant to the warranty letter set out in the Construction Contract.

INFORMATION ABOUT THE GROUP AND THE CONTRACTOR

The Group is principally engaged in the provision of (i) equipment based financing solutions and factoring services to customers, (ii) packaging and paper products trading and (iii) manufacture and sales of vinegar and other condiment products in the PRC.

Qiaoxin, an indirectly wholly-owned subsidiary of the Company, is a company established by the Group in the PRC on 23 April 2020 and is principally engaged in the manufacturing and sale of vinegar and other condiment products in the PRC.

Zhongpan Construction Group Co., Ltd.* (中磐建設集團有限公司), the Contractor under the Construction Contract, is a company established in the PRC with limited liability, which is principally engaged in construction services and is ultimately owned as to approximately 51.0% by the Beijing Municipal People's Government State-owned Assets Supervision and Administration Commission (北京市人民政府國有資產監督管理委員會) and approximately 48.7% by He Bo (何波).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, the Contractor and its ultimate beneficial owners are Independent Third Parties and are not connected with the Company and its connected persons (as defined in the GEM Listing Rules).

REASONS FOR AND BENEFITS OF ENTERING INTO THE CONSTRUCTION CONTRACT

On 15 March 2022, Qiaoxin has successfully won the bid for the land use rights of the Land Parcel and the structures erected thereon. The Land Parcel is to be transformed and renovated for use as a vinegar production and storage facility of Qiaoxin as part of the Group's strategy to further develop the manufacture and sale of vinegar and other condiment products business of the Group. The entering into the Construction Contract is for the construction of the said production and storage facility. The Contractor under the Construction Contract has comprehensive construction experience and good reputation in the construction industry. The Company believes that the appointment of the Contractor is appropriate to meet the needs of construction of the Construct Project.

In view of the above, the Directors are of the view that the terms of the Construction Contract are on normal commercial terms and are fair and reasonable and the entering into of the Construction Contract is in the interests of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATION

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DEFINITIONS

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

“Board”	the board of Directors
“Company”	Baiying Holdings Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM (stock code: 8525)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Construction Contract”	the construction contract dated 27 December 2023, after market close, entered into between Qiaoxin and the Contractor in relation to the Construction Project
“Construction Project”	the construction of a vinegar production factory and storage facility situated at the Land Parcel located in Fujian, the PRC
“Contract Sum”	the sum of RMB29,000,000 (equivalent to approximately HK\$31,502,700) payable to the Contractor pursuant to the Construction Contract
“Contractor”	Zhongpan Construction Group Co., Ltd.* (中磐建設集團有限公司), a company established in the PRC with limited liability, which is principally engaged in construction services, being the contractor under the Construction Contract
“Director(s)”	the director(s) of the Company
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing in the Listing of Securities on GEM
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Parties”	the third party independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive of the Company or substantial Shareholders, its subsidiaries and their respective associates
“Land Parcel”	a parcel of land situated in the old vinegar industrial park* (工業園區老醋產業園), Yongchun county, Quanzhou city, Fujian Province, the PRC (Parcel No. 2021-11), with a total site area of approximately 71,942 sq.m.
“PRC”	the People’s Republic of China
“Qiaoxin”	Fujian Yongchun Qiaoxin Brewing Co., Ltd.* (福建永春僑新釀造有限責任公司), a company established in the PRC on 23 April 2020 and principally engaged in the manufacturing and sale of vinegar and other condiment products in the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre(s)
“%”	per cent

For the purpose of this announcement and for illustrative purpose only, RMB is converted into HK\$ at the rate of RMB1 to HK\$1.0863. No representation is made that any amounts in RMB has been or could be converted at the above rates or at any other rates.

* *For identification purpose only*

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

Fujian Province, the PRC, 27 December 2023

As of the date of this announcement, the executive Directors are Mr. Zhou Shiyuan, Mr. Chen Xinwei and Mr. Huang Dake; the non-executive Director is Mr. Ke Jinding; and the independent non-executive Directors are Mr. Chen Chaolin, 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 Stock 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.