

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

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)

SUPPLEMENTAL ANNOUNCEMENT

DECISION OF THE STOCK EXCHANGE ON GEM LISTING RULE 17.26

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).

Reference is made to the announcement of the Company dated 6 December 2024 (the “**Announcement**”) in relation to, among other matters, a letter (the “**Letter**”) from the Stock Exchange notifying the Company of its decision that the Company has failed to maintain a sufficient level of operations and assets of a sufficient value to support its operations under Rule 17.26 of the GEM Listing Rules to warrant the continued listing of its shares and that trading in the Company’s shares will be suspended on 17 December 2024 under Rule 9.04(3) of the GEM Listing Rules (the “**Decision**”) unless the Company applies for a review of the Decision in accordance with the rights of the Company under Chapter 4 of the GEM Listing Rules. Unless otherwise specified, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

The Company would like to provide the following supplemental information based on the factors considered by the Stock Exchange in arriving at the Decision as set out in the Letter.

Financial Services Business

The financial services business, being the Company’s primary business since listing, has reduced to a minimal scale of operation since 2021. The segment has been either loss-making or only generated insignificant profit. The Stock Exchange remained concerned that this business is not viable and sustainable. Whilst the Company expected new transactions for the year of 2024 would increase the revenue of this segment, it is not expected to have a substantial increase in its operation scale and its revenue is still expected to be minimal. Despite the fact that the financial services business of the Company has recorded growth in the second half of 2024, this business would continue to be in small scale of operation and lacks a concrete plan for improvement. Also, a portion of the segment revenue is expected to be made up of one-off and incidental income from reversal of impairment provision, leading

to a question as to whether the segment profit is sustainable going forward. The segment profit, without this incidental income, is minimal. The Stock Exchange is concerned that the Company has not demonstrated that this business while being maintained at a minimal scale of operation is a business with prospects.

Vinegar Business

The Stock Exchange, having considered the latest development of the vinegar business of the Company, does not consider it to be a viable and sustainable business because the scale of operation has been small, with revenue of only RMB0.6 million and RMB7.6 million for 2022 and 2023, respectively, and the revenue in 2024 is still being considered as small. Besides, substantial investment for additional construction work is expected to be made to enable the business to continue operations and expand for future growth. The Stock Exchange considers that such investment, if however made, will undermine the business development of the Company's other businesses and the Company does not have concrete details on funding plan; with such loss-making position, the small operating scale is unlikely to be temporary and that the business growth does not commensurate with the significant costs required to carry on its operation.

Paper Trading Business

The paper trading business of the Company is operated by a few employees and has limited customers with a thin gross profit margin. Revenue was mainly generated from an indent trading model without any value-added service provided, and this business is not complimentary to the financial services business. The Stock Exchange does not consider the paper trading business is a business of substance.

On assets

Given the matters set out above, the Company does not appear to have sufficient assets to support the operation of a viable and sustainable business. The Stock Exchange is not satisfied that the Company has sufficient assets to meet Rule 17.26 of the GEM Listing Rules.

As mentioned in the Announcement, the Company is in the process of seeking advice from its external adviser and will actively prepare to make a request for the Decision to be referred to the GEM Listing Committee for review.

Further announcements will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules. Shareholders who have any queries about the implication of the Decision are advised to obtain appropriate professional advice.

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
Baiying Holdings Group Limited
Zhou Shiyuan
Chairman

Fujian Province, the PRC, 6 December 2024

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 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.