

# TARGET

## Intelligence Report

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**YE XING GROUP HOLDINGS LTD:**

**THIS CASH-RAISING EXERCISE IS JUST THE BEGINNING**

One must suppose that Mr Zhao Wei Hao (), formerly known as Mr Zhao Liang (), is more than somewhat of a genius because, inter alia, he is one of the three Executive Directors of Ye Xing Group Holdings Ltd as well as being the Controlling Shareholder of the publicly listed Company: Mr Zhao Wei Hao owns, beneficially, 58.68 percent of the entire Issued and Fully Paid-Up Share Capital of the Company.

And he is just 26 years old!

This very intelligent gentleman graduated with a Bachelor's Degree in Economics and Computer Science from Boston University, based in Massachusetts, The United States of America, in September 2016, at the tender age of 22 years.

Since returning to Beijing, the **People's Republic of China (PRC)**, where he is said to reside, today, in or about July 2016 – about two months prior to receiving his sheepskin from his American alma mater – Mr Zhao Wei Hao accepted the position as Procurement Department Manager of the real estate development company of Beijing Hongkun Weiye Property Development Company Ltd ().

The immediate family of Mr Zhao Wei Hao, indirectly, owns the entire Issued and Fully Paid-Up Share Capital of this company.

Mr Zhao Wei Hao, at the time that he accepted the above-mentioned position at BeijingHongkun Weiye Property Development Company Ltd was just 22 years old.

In November 2017, evidently, he retired from his post at Beijing Hongkun Weiye Property Development Company Ltd and moved up his family's hierarchical ladder to the position of Director of WuxiYongqing Real Estate Company Ltd () where he continues in this august position, today.

Today, in addition to his very high position at Ye Xing Group Holdings Ltd, Mr Zhao Wei Hao is a Director of two other PRC-based companies in which he is holding the position of trust at Beijing Hongkun Weiye Property Development Company Ltd as the company's Strategic Investment Department Manager.

All of the above can be verified by scanning Pages 277 and 278 of the Global Offering Prospectus of Ye Xing Group Holdings Ltd, published and disseminated in the **Hongkong Special Administrative Region (HKSAR)** of the PRC.

### **The Initial Public Offering (IPO) Of Ye Xing Group Holdings Ltd**

Management of Ye Xing Group Holdings Ltd () (Code: 1941, Main Board, The Stock Exchange of Hongkong Ltd) made a Global Offering of 100 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.32 to a high of \$HK1.58.

Investors of the HKSAR were Offered the opportunity to subscribe to 10 million Offer Shares (the Public Offer Shares tranche).

The Company, also, Offered the remaining 90 million Offer Shares, via Share Placements, presumably to Institutional Investors, Professional Investors and select, Well-Heeled Investors, along with their corporate entities, in which this class of investor had equity control (the Placing Offer Shares tranche).

On Friday, February 28, 2020, Management of Ye Xing Group Holdings Ltd announced that the Offer Price Per Share had been struck at \$HK1.56, just two cents below the highest point of the Indicative Offer Price Per Share.

The net proceeds from the Global Offering, one was informed in this Announcement as to the Offer Price and the Allotment Results, was said to be anticipated by Management at about \$HK121.30 million.

With regard to the Public Offer Shares tranche, this announcement stated that it had been '*significantly over-subscribed*' with 118,586 valid applications for the Public Offer Shares, having been received for a total of 19,486,150,000 Public Offer Shares, representing about 1,948.62 times the total number of 10 million Offer Shares, initially available under the tranche.

As to the Placing Offer Shares tranche, one was told that it had been '*significantly over-subscribed*' by about 13.03 times, with subscribers, applying for 1,173,052,131 Placing Shares, initially available under this tranche.

At Page Nine of the February 28, 2020, Announcement, one was informed how Management of Ye Xing Group Holdings Ltd intended to utilise the net proceeds of the Global Offering:

- Approximately, \$HK78.80 million, that is about 65 percent of the net proceeds from the Global Offering, '*will be used for expanding the Group's geographic presence and scale of operations in the PRC*';
- Approximately, \$HK15.80 million, about 13 percent of the net proceeds from the Global Offering, '*will be used for developing and enhancing the Group's information system and technological initiatives, in order to maximise the Group's cost and operational efficiency and service quality*';
- Approximately, \$HK12.10 million, that is about 10 percent of the net proceeds from the Global Offering, '*will be used for expanding the Group's value-added services*';
- Approximately, \$HK2.50 million, that is about two percent of the net proceeds from the Global Offering, '*will be used for staff development*'; and,
- Approximately \$HK12.10 million, that is about 10 percent of the net proceeds from the Global Offering, '*will be used for general corporate purpose and working capital of the Group.*'

### **The History And Business Of Ye Xing Group Holdings Ltd**

Ye Xing Group Holdings Ltd has a history of about 17 years, going back to the incorporation in the PRC, proper, being separate and distinct from the HKSAR of the PRC, of the Company's operating subsidiary, to

wit: BeijingHongkunRuibang Property Management Company Ltd ().

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