

21 November 2023

To the Independent Shareholders

Dear Sir or Madam,

**(1) CONNECTED TRANSACTIONS AND ADVANCE TO ENTITY –
REFUNDABLE DEPOSITS;
(2) CONNECTED TRANSACTION – DEPOSITS;
AND
(3) MAJOR AND CONNECTED TRANSACTION IN RELATION TO
THE ACQUISITION OF RIGHT-OF-USE OF OFFICE BUILDING**

We refer to the circular dated 21 November 2023 (the “**Circular**”) to the Shareholders by the Company, of which this letter forms part. Unless specified otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

In accordance with the requirements under the Listing Rules, we have been appointed to consider and advise the Independent Shareholders as to whether (i) the Refundable Deposits and Deposits 3 arrangements and (ii) the Transfer Agreement 2 and the Acquisition are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned and that (i) the Refundable Deposits and Deposits 3 arrangements and (ii) the Transfer Agreement 2 and the Acquisition are in the ordinary and usual course of business of the Group and are in the interests of the Company and the Shareholders as a whole. Maxa Capital has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board as set out on pages 6 to 28 in the Circular and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders as set out on pages 31 to 72 in the Circular which contains its advice to us in respect of (i) the Refundable Deposits and Deposits 3 arrangements and (ii) the Transfer Agreement 2 and the Acquisition. Your attention is also drawn to the additional information set out in the appendices to the Circular.

We have also discussed with the management of the Company regarding the terms of (i) the Refundable Deposits and Deposits 3 arrangements and (ii) the Transfer Agreement 2 and the Acquisition. We are of the view that, having considered (i) the terms of the Refundable Deposits and Deposits 3 arrangements and the Transfer Agreement 2 and the Acquisition; (ii) the

discussions with the management of the Company about the background to and nature of the Refundable Deposits and Deposits 3 arrangements and the Transfer Agreement 2 and the Acquisition; and (iii) the advice of the Independent Financial Adviser to us and the Independent Shareholders, we consider that (i) the Refundable Deposits and Deposits 3 arrangements and (ii) the Transfer Agreement 2 and the Acquisition are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned and that (i) the Refundable Deposits and Deposits 3 arrangements and (ii) the Transfer Agreement 2 and the Acquisition are in the interests of the Company and the Shareholders as a whole. In particular, notwithstanding that the Independent Financial Adviser considers that the Deposits 3 arrangement was not on normal commercial terms, in view of the expected high demand for the car parking spaces under the Underwriting Agreement and the apparently higher rate of return in terms of the service fees to the Group of the car parking spaces under the Underwriting Agreement, and that the Underwriting Agreement and the Deposits 3 were on arm's length negotiation, the Independent Board Committee considered that the Deposits 3 arrangement were on better commercial terms.

We therefore recommend the Independent Shareholders to vote in favor of the ordinary resolutions to be proposed at the EGM to (i) approve, ratify and confirm the Refundable Deposits and the Deposits 3 arrangements and (ii) approve the entering into of the Transfer Agreement 2 and the Acquisition.

Yours faithfully,

**Independent Board Committee of
Ye Xing Group Holdings Limited**



Mr. Cheung Wai Hung

Mr. Chan Cheong Tat

Ms. Chen Weijie

Mr. Leung Ka Wo

Independent Non-executive Directors

discussions with the management of the Company about the background to and nature of the Refundable Deposits and Deposits 3 arrangements and the Transfer Agreement 2 and the Acquisition; and (iii) the advice of the Independent Financial Adviser to us and the Independent Shareholders, we consider that (i) the Refundable Deposits and Deposits 3 arrangements and (ii) the Transfer Agreement 2 and the Acquisition are on normal commercial terms or better and are fair and reasonable so far as the Independent Shareholders are concerned and that (i) the Refundable Deposits and Deposits 3 arrangements and (ii) the Transfer Agreement 2 and the Acquisition are in the interests of the Company and the Shareholders as a whole. In particular, notwithstanding that the Independent Financial Adviser considers that the Deposits 3 arrangement was not on normal commercial terms, in view of the expected high demand for the car parking spaces under the Underwriting Agreement and the apparently higher rate of return in terms of the service fees to the Group of the car parking spaces under the Underwriting Agreement, and that the Underwriting Agreement and the Deposits 3 were on arm's length negotiation, the Independent Board Committee considered that the Deposits 3 arrangement were on better commercial terms.

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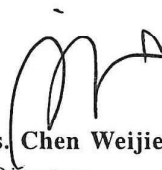
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