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**易鑫集团**

**YIXIN GROUP**

**YIXIN GROUP LIMITED**

**易鑫集团有限公司**

*(incorporated in the Cayman Islands with limited liability and  
carrying on business in Hong Kong as “Yixin Automotive Technology Group Limited”)*

**(Stock Code: 2858)**

**CONTINUING CONNECTED TRANSACTIONS  
BUSINESS COOPERATION FRAMEWORK AGREEMENT  
WITH DALIAN RONGXIN**

On December 14, 2021, the Company, through its indirect wholly-owned subsidiary, Shanghai Yixin, entered into the Business Cooperation Framework Agreement with Dalian Rongxin pursuant to which Shanghai Yixin will provide certain business support services to Dalian Rongxin and Dalian Rongxin will provide certain commercial consulting services to Shanghai Yixin (and its affiliates) in exchange for a service fee.

Dalian Rongxin is an associate of Tencent which is a Controlling Shareholder of the Company. Therefore, Dalian Rongxin is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Business Cooperation Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios calculated with reference to the Annual Caps for the transactions under the Business Cooperation Framework Agreement are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

On December 14, 2021, the Company, through its indirect wholly-owned subsidiary, Shanghai Yixin, entered into the Business Cooperation Framework Agreement with Dalian Rongxin pursuant to which Shanghai Yixin will provide certain business support services to Dalian Rongxin and Dalian Rongxin will provide certain commercial consulting services to Shanghai Yixin (and its affiliates) in exchange for a service fee.

The parties (or through their respective affiliated companies) may enter into Subsequent Agreements to further specify the rights and obligations of the parties for the transactions contemplated under the Business Cooperation Framework Agreement.

### **Business Cooperation Framework Agreement**

Effective Date: December 14, 2021

Parties: (1) Shanghai Yixin  
(2) Dalian Rongxin

Term: From December 14, 2021 to December 31, 2023

Services Provided: Shanghai Yixin will provide business support services to Dalian Rongxin (and its affiliates) in exchange for a service fee. The services to be provided include:

- human resources support services;
- financial and legal support services;
- corporate management consulting services;
- business consultation services; and
- post-financing management services.

Dalian Rongxin will provide commercial consulting services relating to financing guarantees businesses in exchange for a service fee.

### ***Annual caps***

The annual caps for the business support services to be provided by Shanghai Yixin to Dalian Rongxin under the Business Cooperation Framework Agreement are as follows:

	<b>Year ending December 31, 2021 (RMB)</b>	<b>Year ending December 31, 2022 (RMB)</b>	<b>Year ending December 31, 2023 (RMB)</b>
Human resources support	3 million	3 million	3 million
Financial and legal support services	6 million	6 million	6 million
Corporate Management consultation services	4 million	4 million	4 million
Business consultation services	5 million	5 million	5 million
Post-financing management services	12 million	12 million	12 million
Total	<u>30 million</u>	<u>30 million</u>	<u>30 million</u>

The annual caps for the commercial consulting services to be provided by Dalian Rongxin to Shanghai Yixin under the Business Cooperation Framework Agreement are as follows:

<b>Year ending December 31, 2021</b>	<b>Year ending December 31, 2022</b>	<b>Year ending December 31, 2023</b>
RMB30 million	RMB30 million	RMB30 million

### ***Basis of the annual caps***

The annual caps for the business support services to be provided by Shanghai Yixin to Dalian Rongxin under the Business Cooperation Framework Agreement have been determined principally with reference to:

- (i) the expected need for business support service requirements of Dalian Rongxin for the next three financial years; and
- (ii) the pricing policy of charging fees at 105% of the aggregate costs being the business practices of relevant transactions.

The annual caps for the commercial consulting services to be provided by Dalian Rongxin to Shanghai Yixin under the Business Cooperation Framework Agreement have been determined principally with reference to:

- (i) the commercial consulting services relating to financing guarantees required by the Group for the next three financial years; and
- (ii) the pricing policy of charging fees at 105% of the aggregate costs being the business practices of relevant transactions.

### ***Pricing policy and fee calculation***

The fee payable by the Group to Dalian Rongxin was determined after arm's length negotiation between the parties and with reference to the market rates for business support services of comparable specifications, and shall be calculated as 105% of all aggregate costs of provision of such services. The terms were no less favourable to the Company than those which could be obtained from independent third party suppliers.

The fee payable by Dalian Rongxin to the Group was determined after arm's length negotiation between the parties and with reference to the market rates for consulting services of comparable specifications, and shall be calculated as 105% of all aggregate costs of provision of such services. The terms were no less favourable to the Company than those which could be obtained from independent third party customers.

### ***Historical transaction amount***

As of the date of this announcement, no transaction amount had been incurred in respect of the Business Cooperation Framework Agreement or related agreement.

### ***Reasons for and benefits of entering into the Business Cooperation Framework Agreement with Dalian Rongxin***

By entering into the Business Cooperation Framework Agreement with Dalian Rongxin, the Group can further strengthen the business cooperation with Dalian Rongxin while expanding its potential to reach new customers. Given that Dalian Rongxin is a licensed financing guarantee company that focus on internet financing and the Group has mature post-loan human resources, management and software system, the Group can export its resources to help Dalian Rongxin to manage its asset preservation and enhance its ability to provide guarantee, and thus, the Group can generate income from the provision of such services.

The terms of the Business Cooperation Framework Agreement were agreed upon after arm's length negotiations between the relevant parties thereto and these transactions are entered into and conducted in the ordinary and usual course of business of the Group. The Directors (including the independent non-executive Directors) consider that the terms of the Business Cooperation Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable and are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in the best interest of the Company and the Shareholders as a whole.

Mr. Matthew Yun Ming Cheng and Mr. Jun Yang hold senior management positions in Tencent. As none of the Directors has a material interest in the transactions contemplated under the Business Cooperation Framework Agreement, no Director was required to abstain from voting on the Board resolutions in relation to such agreements and the transactions contemplated thereunder.

## INTERNAL CONTROL

Reference is made to the Prospectus in relation to the following internal control procedures adopted by the Group for the continuing connected transactions of the Company:

- (i) No member of the Group shall conduct any connected transactions, (i) which are either not on arm's length terms or (ii) which are on arm's length terms but are in excess of 5% of the Group's net assets or if aggregated with all other connected transactions in the same fiscal year will exceed 20% of annual budgeted revenue of the Group for the fiscal year, without the affirmative consent or approval by the majority of the Directors. For further details, see the section headed "HISTORY AND CORPORATE STRUCTURE – PRE-IPO INVESTMENTS" of the Prospectus.
- (ii) The Company has established internal control mechanisms to identify connected transactions. If the Group enters into connected transactions with the Controlling Shareholders or any of their associates, the Company will comply with the applicable Listing Rules. For further details, see the section headed "RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS – CORPORATE GOVERNANCE MEASURES" of the Prospectus.

The legal and compliance department and the financial management department of the Group will review the terms of the Business Cooperation Framework Agreement and the Subsequent Agreements to be entered into for ensuring compliance with the Listing Rules, and none of such agreements will be entered into unless with prior approval of the legal and compliance department, the financial management department and senior management of the Group.

The legal and compliance department and financial management department of the Group will summarize the transaction amounts incurred under the Business Cooperation Framework Agreement regularly on a monthly basis and report to the senior management of the Group. The senior management and the relevant departments of the Group will be informed of the status of such transactions in a timely manner such that the transaction amounts can be conducted within the Annual Caps. In addition, the independent non-executive Directors will conduct an annual review of the implementation of the continuing connected transactions. The Company will also engage its external auditors to conduct annual review of the continuing connected transactions in accordance with the requirements under the Listing Rules.

The Group will regularly examine the pricing of the Business Cooperation Framework Agreement and the Subsequent Agreements to ensure that such transactions are conducted in accordance with the pricing terms thereof, including reviewing the historical transaction records of the Group for similar services and arrangements with other independent third party for similar services.

## **INFORMATION ABOUT THE PARTIES**

Shanghai Yixin is a company established under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company. It is principally engaged in financing lease and operation of leasing business in the PRC.

Dalian Rongxin, a company established under the laws of the PRC and is indirectly controlled by Tencent as to not less than 30% and is therefore an associate of Tencent, which is a Controlling Shareholder and hence a connected person of the Company. It is a licensed financing guarantee company which is principally engaged in providing financing guarantee services.

## **LISTING RULES IMPLICATIONS**

Dalian Rongxin is an associate of Tencent which is a Controlling Shareholder of the Company. Therefore, Dalian Rongxin is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Business Cooperation Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Given that one or more of the applicable percentage ratios calculated with reference to the Annual Caps for the transactions under the Business Cooperation Framework Agreement are more than 0.1% but less than 5%, the transactions contemplated thereunder are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Annual Caps”	the maximum aggregate annual value projected for the years ending December 31, 2021, December 31, 2022 and December 31, 2023 in respect of the transactions contemplated under the Business Cooperation Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Cooperation Framework Agreement”	the business cooperation framework agreement dated December 14, 2021 effective from the date of the agreement, entered into between Shanghai Yixin and Dalian Rongxin
“China” or “PRC”	The People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“Company”	Yixin Group Limited 易鑫集团有限公司, an exempted company with limited liability incorporated under the laws of the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2858)
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Consolidated Affiliated Entity”	the entity the Company controls through a series of contractual arrangements
“Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Tencent
“Dalian Rongxin”	Dalian Rongxin Financing Guarantees Company Ltd.* (大連融鑫融資擔保有限公司), a company established under the laws of the PRC and an associate of Tencent
“Directors”	the directors of the Company
“Group”	the Company, its subsidiaries and the Consolidated Affiliated Entity
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“RMB”	Renminbi, the lawful currency of China
“Shanghai Yixin”	Shanghai Yixin Financing Lease Co., Ltd.* (上海易鑫融資租賃有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Shares”	ordinary share(s) in the share capital of the Company with a par value of US\$0.0001
“Shareholder(s)”	holder(s) of shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsequent Agreement(s)”	the subsequent cooperation agreements to be entered into between the relevant parties (or their respective affiliates) for the transactions contemplated under the Business Cooperation Framework Agreement
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“Tencent”	Tencent Holdings Limited, a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 700) and a Controlling Shareholder of the Company
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

\* *For identification purposes only.*

By Order of the Board  
**Yixin Group Limited**  
 易鑫集团有限公司  
**Andy Xuan Zhang**  
*Chairman*

Hong Kong, December 14, 2021

As at the date of this announcement, the Directors are:

<b>Executive Directors</b>	Mr. Andy Xuan Zhang and Mr. Dong Jiang
<b>Non-executive Directors</b>	Mr. Matthew Yun Ming Cheng, Mr. Jun Yang, Mr. Qin Miao and Ms. Amanda Chi Yan Chau
<b>Independent non-executive Directors</b>	Mr. Tin Fan Yuen, Mr. Chester Tun Ho Kwok and Ms. Lily Li Dong