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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)*

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS – THE RENEWED PROMOTIONAL SERVICES FRAMEWORK AGREEMENT WITH TENCENT COMPUTER

Reference is made to the announcement of the Company dated August 22, 2022 in respect of the Existing Promotional Services Framework Agreement.

On December 4, 2024, Tianjin Hengtong (an indirect wholly-owned subsidiary of the Company) entered into the Renewed Promotional Services Framework Agreement with Tencent Computer (a subsidiary of Tencent, itself being a Controlling Shareholder of the Company) to renew the existing continuing connected transactions under the Existing Promotional Services Framework Agreement with a term of three years effective from January 1, 2025.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent Computer is a subsidiary of Tencent, itself being a Controlling Shareholder of the Company. Therefore Tencent Computer is a connected person of the Company. As a result, the transactions contemplated under the Renewed Promotional Services 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 under the Renewed Promotional Services Framework Agreement is 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.

INTRODUCTION

Reference is made to the announcement of the Company dated August 22, 2022 in respect of the Existing Promotional Services Framework Agreement.

The Board announces that the Existing Promotional Services Framework Agreement will expire on December 31, 2024. On December 4, 2024, Tianjin Hengtong (an indirect wholly-owned subsidiary of the Company) entered into the Renewed Promotional Services Framework Agreement with Tencent Computer (a subsidiary of Tencent, itself being a Controlling Shareholder of the Company) to renew the existing continuing connected transactions under the Existing Promotional Services Framework Agreement with a term of three years effective from January 1, 2025.

THE RENEWED PROMOTIONAL SERVICES FRAMEWORK AGREEMENT

Details of the Renewed Promotional Services Framework Agreement are set out below:

Date:	December 4, 2024
Parties:	(1) Tianjin Hengtong (2) Tencent Computer
Term:	For the period from January 1, 2025 to December 31, 2027
Services provided:	Tencent Computer (or any of its associates) shall provide advertising and marketing promotion services to Tianjin Hengtong (or any of its associates) to promote the financial products of Tianjin Hengtong (or any of its associates) through the Tencent Platforms, and Tianjin Hengtong (or its relevant associate) shall pay service fees to Tencent Computer (or its relevant associate).

The parties (or through their respective associates) may enter into Subsequent Agreements consistent with the terms of the Renewed Promotional Services Framework Agreement to further specify the rights and obligations between them.

Pricing policy

The service fees payable by the Group under each Subsequent Agreement to be entered into under the Renewed Promotional Services Framework Agreement shall be determined after arm's length negotiations between the parties and with reference to, including but not limited to, (i) the market rates for promotional services of a similar nature, (ii) the number of customers who successfully applied for the financial products of the Group through the Tencent Platforms, (iii) the total financing amount of such financial products successfully applied for through the Tencent Platforms, and (iv) the scope of services and terms and conditions under each Subsequent Agreement.

Specifically, taking into account of the above factors, the service fees payable by the Group under each Subsequent Agreement shall equal to a percentage of the financing amount of the financial products successfully applied for by customers of Tianjin Hengtong (or any of its associates) through the Tencent Platforms. The aforementioned percentage shall fall within the range of 2% to 3%, and the specific percentage applicable to each Subsequent Agreement shall be determined by the parties based on the market rates for similar promotional services.

Under the Renewed Promotional Services Framework Agreement, as a general principle, any fees related thereto shall be determined on the basis of normal commercial terms and fair and reasonable terms.

Historical transaction amounts

The aggregate fees paid by the Group pursuant to the Existing Promotional Services Framework Agreement for the period from May 11, 2022 to December 31, 2022, the year ended December 31, 2023 and the period from January 1, 2024 to September 30, 2024 amounted to approximately RMB5,360,000, RMB6,292,000 and RMB3,861,000, respectively.

The existing annual caps and the new annual caps

The existing annual caps for the Existing Promotional Services Framework Agreement are set out below:

Year ended December 31, 2022	Year ended December 31, 2023	Year ending December 31, 2024
RMB20 million	RMB30 million	RMB40 million

The new annual caps for the Renewed Promotional Services Framework Agreement are set out below:

Year ending December 31, 2025	Year ending December 31, 2026	Year ending December 31, 2027
RMB20 million	RMB30 million	RMB40 million

Basis of the new annual caps

The new annual caps have been determined principally with reference to:

- (i) the historical transaction amounts under the Existing Promotional Services Framework Agreement and the anticipated demand for similar services in the next three financial years;
- (ii) the anticipated growth in the Group's customer base, who will apply for financial products of the Group through the Tencent Platforms, as the Group expects the continuous provision of the Promotional Services will bring more potential customers to the Group;
- (iii) the anticipated business needs of the Group for the next three financial years; and
- (iv) the anticipated increasing penetration of the Tencent Platforms among Chinese internet users.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RENEWED PROMOTIONAL SERVICES FRAMEWORK AGREEMENT

Given that Tencent is a leading provider of Internet value-added services in the PRC, the cooperation with the Tencent Group and the utilization of its promotional services would enable us to leverage Tencent's large user base and attract more consumers to the products and services of the Group in order to enlarge the customer base of the Group and enhance business growth. The Company believes that the Promotional Services provided by the Tencent Group will enable the Group to increase its customers' and potential new customers' awareness of and familiarity with the products and services the Group provides which will be crucial to the success of the business of the Group. Further, the Tencent Platforms are gaining popularity among Chinese internet users in recent years and in view of the success and positive experience in the cooperation of the Group and the Tencent Group including under the Existing Promotional Services Framework Agreement, the Board is of the view that there is a strong business need to enter into the Renewed Promotional Services Framework Agreement to establish a long-term cooperation relationship with the Tencent Group. By entering into the Renewed Promotional Services Framework Agreement, the Group can benefit from the continued provision of the Promotional Services by the Tencent Group, further its cooperation with the Tencent Group.

The terms of the Renewed Promotional Services 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 Renewed Promotional Services Framework Agreement and the transactions contemplated thereunder (including, each of 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. Qing Hua Xie holds senior management positions in Tencent, he has abstained from voting on the resolutions of the Board approving the Renewed Promotional Services Framework Agreement. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under the Renewed Promotional Services Framework Agreement, no other Director was required to abstain from voting on the Board resolutions in relation to such agreement 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 Renewed Promotional Services 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 Renewed Promotional Services 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 Renewed Promotional Services 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 GROUP

The Group is principally engaged in (i) the provision of loan facilitation services, guarantee services, after-market services and other services; and (ii) the provision of financing lease services and other self-operated services in the PRC.

Tianjin Hengtong is a company established under the laws of the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in financing lease and operation of leasing business in the PRC.

INFORMATION ABOUT TENCENT GROUP

Tencent is a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 700) and a Controlling Shareholder. It is a provider of Internet value-added services in China, including communications and social, digital content, advertising, fintech and cloud services.

Tencent Computer is a company established under the laws of the PRC with limited liability, and is a subsidiary of Tencent. It is principally engaged in provision of value-added services and internet advertisement services in the PRC.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Tencent Computer is a subsidiary of Tencent, itself being a Controlling Shareholder of the Company. Therefore Tencent Computer is a connected person of the Company. As a result, the transactions contemplated under the Renewed Promotional Services 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 under the Renewed Promotional Services Framework Agreement is 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:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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 and 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
“Directors”	the directors of the Company
“Existing Promotional Services Framework Agreement”	the existing agreement dated May 11, 2022 entered into between Tianjin Hengtong and Tencent Computer in relation to the provision of the Promotional Services, and as amended and supplemented by the supplemental agreements dated May 11, 2022, July 26, 2022 and August 22, 2022, the details of which are disclosed in the announcement of the Company dated August 22, 2022

“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
“Promotional Services”	the advertising and marketing promotion services to promote the financial products of Tianjin Hengtong (or any of its associates) through the Tencent Platforms
“Prospectus”	the prospectus of the Company dated November 6, 2017
“Renewed Promotional Services Framework Agreement”	the promotional services framework agreement dated December 4, 2024 entered into between Tianjin Hengtong and Tencent Computer in relation to the provision of the Promotional Services
“RMB”	Renminbi, the lawful currency of China
“Shares”	ordinary share(s) in the share capital of the Company with a par value of USD0.0001
“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 associates) for the transactions contemplated under the Renewed Promotional Services Framework Agreement
“subsidiary(ies)”	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
“Tencent Computer”	Shenzhen Tencent Computer Systems Company Limited* (深圳市騰訊計算機系統有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of Tencent, a connected person of the Company
“Tencent Group”	Tencent, its subsidiaries and controlled entities

“Tencent Platforms”	online websites and platforms of Tencent Computer (including but not limited to QQ Wallet (QQ 錢包), Mobile Terminal (移動端) and Official Account (公眾號))
“Tianjin Hengtong”	Tianjin Hengtong Jiahe Financing Lease Co., Ltd.* (天津恒通嘉合融資租賃有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“United States”	the United States of America, its territories, its possessions and all areas subject to its jurisdiction
“USD”	United States dollars, the lawful currency of the United States
“%”	per cent

* *For identification purposes only.*

By Order of the Board
Yixin Group Limited
 易鑫集團有限公司
Andy Xuan Zhang
Chairman

Hong Kong, December 4, 2024

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

Executive Directors	Mr. Andy Xuan Zhang and Mr. Dong Jiang
Non-executive Directors	Mr. Qing Hua Xie, Mr. Qin Miao, and Ms. Amanda Chi Yan Chau
Independent non-executive Directors	Mr. Tin Fan Yuen, Mr. Chester Tun Ho Kwok and Ms. Lily Li Dong