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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)

RENEWAL OF EXISTING CONTINUING CONNECTED TRANSACTIONS – THE RENEWED PLATFORM TECHNOLOGY SERVICES FRAMEWORK AGREEMENT WITH YUNHAN

Reference is made to the announcement of the Company dated March 30, 2020 in relation to the Previous Platform Technology Services Agreements.

The Board announces that the 2020 Platform Technology Services Framework Agreement will expire on December 31, 2022. On December 12, 2022, the Company, through its indirect wholly-owned subsidiary Shanghai Yixin, entered into the Renewed Platform Technology Services Framework Agreement with Yunhan to renew the existing continuing connected transactions in relation to the provision of promotion services by Yunhan to the Group through the platforms it operates under the 2020 Platform Technology Services Framework Agreement with a term of three years effective from January 1, 2023.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Yunhan is wholly-owned by JD Technology. JD Technology is indirectly owned as to approximately 42% by JD.com, which holds approximately 16% of the issued Shares, is a substantial shareholder of the Company.

Yunhan is considered a connected person of the Company, by virtue of it being an associate of JD.com, a substantial shareholder and a connected person of the Company. As such, the transactions contemplated under the Renewed Platform Technology Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.54 under the Listing Rules, if the Company proposes to renew continuing connected transactions, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction.

As one or more of the applicable percentage ratios calculated with reference to the annual caps for the transactions contemplated under the Renewed Platform Technology Services Framework Agreement is more than 0.1% but less than 5%, such transactions 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.

Reference is made to the announcement of the Company dated March 30, 2020 in relation to the Previous Platform Technology Services Agreements.

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RENEWED PLATFORM TECHNOLOGY SERVICES FRAMEWORK AGREEMENT

The principal terms of the Renewed Platform Technology Services Framework Agreement are set out below:

Effective Date:	January 1, 2023
Parties:	(1) Shanghai Yixin; and (2) Yunhan
Term:	Three years
Services provided:	Yunhan (or its associates) shall leverage its financial platform resources and financial services experience into providing customer referral services to the Group.
Service fees:	The Group shall pay Yunhan (or its associates) service fees in consideration for the services provided. The service fees shall be calculated based on a service fee rate, which shall be within an agreed range with reference to the prevailing market rates or better. For details, please see pricing policies below.

The parties (or through their respective associates) may enter into Subsequent Agreements to further specify their respective rights and obligations (including the specific service fee rates) for the transactions contemplated under the Renewed Platform Technology Services Framework Agreement.

Historical transaction amounts

The aggregate fee paid by the Group pursuant to the Previous Platform Technology Services Agreements for the two years ended December 31, 2021 and the period from January 1, 2022 to October 31, 2022 amounted to approximately RMB5,391,000, RMB32,298,000 and RMB34,799,000, respectively.

The existing annual caps and the new annual caps

The existing annual caps under the Previous Platform Technology Services Agreements are as follows:

	For the financial year ended December 31,			For the financial year ending
	2019	2020	2021	December 31, 2022
2019 Platform Technology Services Agreement	RMB0.50 million	RMB2.00 million	–	–
2020 Platform Technology Services Framework Agreement	–	RMB52.92 million	RMB52.92 million	RMB80.00 million
In aggregate:	RMB0.50 million	RMB54.92 million	RMB52.92 million	RMB80.00 million

The new annual caps for the Renewed Platform Technology Services Framework Agreement are as follows:

	For the financial year ending	
December 31, 2023	December 31, 2024	December 31, 2025
RMB80 million	RMB100 million	RMB120 million

Basis of the new annual caps

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

- (i) the historical transaction amounts for the promotion services and the anticipated needs of the Group for similar services;
- (ii) the expected number of user traffic leads to be provided by Yunhan (or its associates);
- (iii) the expected increase in the Group's demand for promotion services in the format of user traffic leads for the next three financial years as compared to the two financial years ended December 31, 2021 and the financial year ending December 31, 2022; and
- (iv) the business needs of the Group for the next three financial years.

Pricing Policy and fee calculation

The service fees payable by the Group under the Renewed Platform Technology Services Framework Agreement will be determined after arm's length negotiation between the parties with reference to the prevailing market rates for similar services offered by independent third party service providers or those not less favorable to the Group.

Before entering into any Subsequent Agreements, the procurement department of the Group would first assess the business needs of the Group and obtain at least two quotations for comparable user traffic lead services from independent third parties. It would then carry out an analysis of the options available taking into account a range of factors, such as the pricing, payment terms, expertise, capabilities and reputation of the service providers and the Group's past business experience with them (if any). The results of such analysis would be reported to the senior management of the Group. The senior management would then form a view as to which option is most favorable to the Group and would then report its findings to the Board for approval.

The Group will only enter into a Subsequent Agreement when (i) the service fees are no less favorable than the rates offered by other comparable independent third party service providers, and (ii) the terms of the transaction are fair and reasonable and in the interest of the Shareholders and the Company as a whole.

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

By entering into the Renewed Platform Technology Services Framework Agreement with Yunhan, the Group can continue its long-term cooperation with Yunhan, utilise the financial platforms of Yunhan (or its associates), which are among the leading consumer lending online platforms in China, and further expand its customer base for its automobile financing business with the aim to increase its revenues and operation scale.

Apart from the new annual caps, the terms of the Renewed Platform Technology Services Framework Agreement (including the pricing policy) are substantially the same as those of the 2020 Platform Technology Services Framework Agreement disclosed in the announcement of the Company dated March 30, 2020.

The terms of the Renewed Platform Technology Services Framework Agreement was agreed upon after arm's length negotiations between the Group and Yunhan. The Directors (including the independent non-executive Directors) consider that the terms of the Renewed Platform Technology Services 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 interest of the Company and the Shareholders as a whole.

Mr. Qin Miao, a non-executive Director, holds a senior management position in JD.com. As none of the Directors has material interest in the transactions contemplated under the Renewed Platform Technology Services Framework Agreement, no Director was required to abstain from voting on the Board resolutions in relation to the said agreement and the transactions contemplated thereunder.

INFORMATION ABOUT THE PARTIES

The Group is principally engaged (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.

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.

Yunhan is a company established under the laws of the PRC and is wholly-owned by JD Technology, and is indirectly owned as to approximately 42% by JD.com. It is principally engaged in development, consultation, providing services and promotion of information technology.

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:

- (a) 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.
- (b) 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 Platform Technology Services Framework Agreement and each of 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 and the Board.

The legal and compliance department and financial management department of the Group will summarize the transaction amounts incurred under the Renewed Platform Technology 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 the transactions under the Renewed Platform Technology Services Framework Agreement 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 transactions under the Renewed Platform Technology Services Framework Agreement 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.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Yunhan is wholly-owned by JD Technology. JD Technology is indirectly owned as to approximately 42% by JD.com, which holds approximately 16% of the issued Shares and is a substantial shareholder of the Company.

Yunhan is considered a connected person of the Company, by virtue of it being an associate of JD.com, a substantial shareholder and a connected person of the Company. As such, the transactions contemplated under the Renewed Platform Technology Services Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Pursuant to Rule 14A.54 under the Listing Rules, if the Company proposes to renew continuing connected transactions, the Company will have to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transaction.

As one or more of the applicable percentage ratios calculated with reference to the annual caps for the transactions contemplated under the Renewed Platform Technology Services Framework Agreement is more than 0.1% but less than 5%, such transactions 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:

“2019 Platform Technology Services Agreement”	the platform technology services agreement dated December 10, 2019 entered into between Shanghai Yixin and Yunhan
“2020 Platform Technology Services Framework Agreement”	the platform technology services framework agreement dated March 30, 2020 entered into between Shanghai Yixin and Yunhan
“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, 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, namely Beijing Yixin Information Technology Co., Ltd.* (北京易鑫信息科技有限公司), a company established under the laws of the PRC on January 9, 2015
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Tencent and Morespark and each of them shall be referred to as a Controlling Shareholder
“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
“JD Technology”	Jingdong Technology Holding Co., Ltd. (京東科技控股股份有限公司) (formerly known as Jingdong Digits Technology Holding Co., Ltd.* (京東數字科技控股股份有限公司)), a company established under the laws of the PRC
“JD.com”	JD.com, Inc., a company incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 9618) under Chapter 19C of the Listing Rules and the American Depositary Shares (each representing two Class A ordinary shares) of which are listed on Nasdaq Global Select Market under the symbol “JD”, which is a substantial shareholder of the Company
“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
“Morespark”	Morespark Limited, a private company limited by shares incorporated under the laws of Hong Kong and wholly-owned by Tencent, and a Controlling Shareholder

“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Previous Platform Technology Services Agreements”	2019 Platform Technology Services Agreement and the 2020 Platform Technology Services Framework Agreement
“Prospectus”	the prospectus of the Company dated November 6, 2017
“Renewed Platform Technology Services Framework Agreement”	the platform technology services framework agreement dated December 12, 2022, effective from January 1, 2023 entered into between Shanghai Yixin and Yunhan
“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 and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of Shares
“Shares”	ordinary share(s) in the share capital of the Company with a par value of US\$0.0001
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Agreement(s)”	the subsequent advertising agreements to be entered into between the parties (or their respective associates) to the Renewed Platform Technology Services 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

“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
“Yunhan”	Yunhan Information Technology Co., Ltd.* (雲瀚信息科技有限公司, formerly known as Suqian Yunhan Information Technology Co., Ltd.* (宿遷雲瀚信息科技有限公司)), a company established under the laws of the PRC and a wholly-owned subsidiary of JD Technology
“%”	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 12, 2022

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