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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 ADVERTISING FRAMEWORK AGREEMENT WITH BEIJING BITAUTO INTERACTIVE

Reference is made to the announcement of the Company dated December 12, 2019 in respect of the Existing Advertising Framework Agreement.

The Board announces that the Existing Advertising Framework Agreement will expire on December 31, 2022. On December 16, 2022, the Company, through its indirect wholly-owned subsidiary Xinjiang Wanhong, entered into the Renewed Advertising Framework Agreement with Beijing Bitauto Interactive (a subsidiary of Tencent) to renew the existing continuing connected transactions under the Existing Advertising Framework Agreement with a term of three years effective from January 1, 2023.

LISTING RULES IMPLICATIONS

Beijing Bitauto Interactive is a subsidiary of Tencent, which is the Controlling Shareholder. Therefore, Beijing Bitauto Interactive is a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

As such, the transactions contemplated under the Renewed Advertising 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.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the annual caps is more than 0.1% but less than 5%, the transactions contemplated under the Renewed Advertising Framework Agreement 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 December 12, 2019 in respect of the Existing Advertising Framework Agreement.

The Board announces that the Existing Advertising Framework Agreement will expire on December 31, 2022. On December 16, 2022, the Company, through its indirect wholly-owned subsidiary Xinjiang Wanhong, entered into the Renewed Advertising Framework Agreement with Beijing Bitauto Interactive to renew the existing continuing connected transactions under the Existing Advertising Framework Agreement with a term of three years effective from January 1, 2023.

The parties (or through their respective associates) may enter into Subsequent Agreements to further specify the rights and obligations between them under the Renewed Advertising Framework Agreement.

THE RENEWED ADVERTISING FRAMEWORK AGREEMENT

The terms of the Renewed Advertising Framework Agreement are set out below:

- Effective Date: January 1, 2023
- Parties: (1) Xinjiang Wanhong, an indirect wholly-owned subsidiary of the Company;
- (2) Beijing Bitauto Interactive, a subsidiary of Tencent, the Controlling Shareholder
- Term: Three years
- Services Provided: Beijing Bitauto Interactive or its associates shall provide certain services to the Group including but not limited to brand, product and website promotion on online and offline platforms which Beijing Bitauto Interactive or its associates operates, controls or cooperates with. In exchange, the Group shall pay Beijing Bitauto Interactive or its associates a fee.

Historical transaction amounts

The aggregate fee paid by the Group pursuant to the Existing Advertising Framework Agreement for the two years ended December 31, 2021 and the period from January 1, 2022 to October 31, 2022 amounted to approximately nil, RMB59,281,000 and nil, respectively.

The existing annual caps and the new annual caps

The existing annual caps for the Existing Advertising Framework Agreement are as follows:

Year ended December 31, 2020	Year ended December 31, 2021	Year ending December 31, 2022
RMB100 million	RMB105 million	RMB110 million

The new annual caps for the Renewed Advertising Framework Agreement are as follows:

Year ending December 31, 2023	Year ending December 31, 2024	Year ending December 31, 2025
RMB100 million	RMB105 million	RMB110 million

Basis of the new annual caps

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

- (i) the historical transaction amounts for the advertising services and the anticipated advertising needs of the Group for similar services;
- (ii) the fees payable under the Existing Advertising Framework Agreement by the Group;
- (iii) the advertising requirements of the Group for the next three financial years; and
- (iv) the expected demand for advertising services of this nature from the Group for the next three financial years.

Pricing policy and fee calculation

The fee payable by the Group under the Renewed Advertising Framework Agreement was determined after arm's length negotiation between the parties and with reference to the market rates for advertising services of comparable specifications, for a similar number of days, time and format of advertisement. The terms were no less favourable to the Company than those which could be obtained from independent third party suppliers.

REASONS AND BENEFITS FOR ENTERING INTO THE RENEWED ADVERTISING FRAMEWORK AGREEMENT

Since January 2020, the Group has been advertising its brand and products online and offline through utilizing the leading automobile promotional platform of Beijing Bitauto Interactive and its associates. By entering into the Renewed Advertising Framework Agreement, the Company can continue its long-term cooperation with Beijing Bitauto Interactive and increase its potential to reach new customers through the online and offline platforms which Beijing Bitauto Interactive or its associates operates.

Aside from the new annual caps, the terms of the Renewed Advertising Framework Agreement (including the pricing policy) are substantially the same as those of the Existing Advertising Framework Agreement disclosed in the announcement of the Company dated December 12, 2019.

The terms of the Renewed Advertising Framework Agreement were agreed upon after arm's length negotiations between the relevant parties thereto and the transactions contemplated thereunder 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 Advertising 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.

As none of the Directors has a material interest in the transactions contemplated under the Renewed Advertising Framework Agreement, no 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 transactions under the Renewed Advertising 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.

The legal and compliance department and financial management department of the Group will summarize the transaction amounts incurred under the transactions under the Renewed Advertising 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 Advertising 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 Advertising 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.

INFORMATION ABOUT THE PARTIES

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.

Xinjiang Wanhong is a company established under the laws of the PRC with limited liability, it is an indirect wholly-owned subsidiary of the Company and is principally engaged in information technology related services.

Beijing Bitauto Interactive is a company established under the laws of the PRC with limited liability, and a subsidiary of Tencent, the Controlling Shareholder and hence a connected person of the Company. It is principally engaged in issue and agency of advertising, economic and trade consultation, technology service, technology development and technology promotion.

LISTING RULES IMPLICATIONS

Beijing Bitauto Interactive is a subsidiary of Tencent, which is the Controlling Shareholder. Therefore, Beijing Bitauto Interactive is a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

As such, the transactions contemplated under the Renewed Advertising 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.

Given that one or more of the applicable percentage ratio(s) calculated with reference to the annual caps is more than 0.1% but less than 5%, the transactions contemplated under the Renewed Advertising Framework Agreement 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
“Beijing Bitauto Interactive”	Beijing Bitauto Interactive Advertising Co., Ltd.* (北京易車互動廣告有限公司), a company established under the laws of the PRC and a subsidiary of Tencent
“Beijing Yixin”	Beijing Yixin Information Technology Co., Ltd.* (北京易鑫信息科技股份有限公司), a company established under the laws of the PRC on January 9, 2015 and a Consolidated Affiliated Entity of the Company
“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 易鑫集團有限公司, 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 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
“Existing Advertising Framework Agreement”	the advertising framework agreement dated December 12, 2019 effective from January 1, 2020, entered into between Beijing Yixin and Beijing Bitauto Interactive
“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
“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
“Prospectus”	the prospectus of the Company dated November 6, 2017
“Renewed Advertising Framework Agreement”	the advertising framework agreement dated December 16, 2022 entered into between Xinjiang Wanhong and Beijing Bitauto Interactive
“RMB”	Renminbi, the lawful currency of China
“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
“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 Advertising 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
“Xinjiang Wanhong”	Xinjiang Wanhong Information Technology Co., Ltd. (新疆萬鴻信息科技有限公司), a company established under the laws of the PRC with limited liabilities and an indirect wholly-owned subsidiary of the Company
“%”	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 16, 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