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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)

CONNECTED TRANSACTIONS FINANCE LEASE AGREEMENTS

FINANCE LEASE AGREEMENTS

On September 18, 2023, Shanghai Yixin (as the lessor), a wholly-owned subsidiary of the Company, entered into the Finance Lease Agreements, being (i) the Zhidao Beijing Finance Lease Agreement with Zhidao Beijing (as the lessee), and (ii) the Hengyang Rongche Finance Lease Agreement with Hengyang Rongche (as the lessee).

Pursuant to each of the Finance Lease Agreements, the respective lessees agreed to sell certain Leased Assets to Shanghai Yixin at a consideration and Shanghai Yixin agreed to lease back the Leased Assets to the respective lessees during the Lease Period, with the lease principal being of the same amount as the consideration for transfer of the Leased Assets. Upon the expiry of the Lease Period and subject to full payment of all the rents and other amounts payable and the fulfilment of other conditions by the respective lessees under each of the Finance Lease Agreements, Shanghai Yixin shall transfer the ownership of the Leased Assets back to the respective lessees.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Zhidao Beijing and Hengyang Rongche are wholly-owned subsidiaries of Zhidao Shenzhen. Zhidao Shenzhen is owned as to approximately 5.24% by the Company and 15.08% by Tencent indirectly through its non-wholly owned subsidiary. As Tencent is a Controlling Shareholder and hence a connected person of the Company, Zhidao Shenzhen is a commonly held entity of the Company within the meaning of Rule 14A.27 of the Listing Rules. Accordingly, each transactions contemplated under the Finance Lease Agreements constitutes a connected transaction of the Company under Rule 14A.26 of the Listing Rules.

Since the transactions contemplated under the Finance Lease Agreements are entered into within a 12-month period, such transactions have been aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the transactions contemplated under the Finance Lease Agreements in aggregate is more than 0.1% but less than 5%, such transactions are subject to the reporting and announcement requirements and are exempted from the circular and independent shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

FINANCE LEASE AGREEMENTS

On September 18, 2023, Shanghai Yixin (as the lessor), a wholly-owned subsidiary of the Company, entered into the Finance Lease Agreements, being (i) the Zhidao Beijing Finance Lease Agreement with Zhidao Beijing (as the lessee) and (ii) the Hengyang Rongche Finance Lease Agreement with Hengyang Rongche (as the lessee). Details of the Finance Lease Agreements are set out below:

1. ZHIDAO BEIJING FINANCE LEASE AGREEMENT

Sale of the Leased Assets to Shanghai Yixin

Pursuant to Zhidao Beijing Finance Lease Agreement, Zhidao Beijing (as the lessee) agreed to sell and Shanghai Yixin (as the lessor) agreed to purchase the Leased Assets originally owned by Zhidao Beijing at a consideration of RMB12,561,193, which was determined after arm's length negotiation between Zhidao Beijing and Shanghai Yixin with reference to the net book value of the Leased Assets as confirmed by Zhidao Beijing. According to the information provided by Zhidao Beijing, the aggregate original acquisition cost of the Leased Assets under the Zhidao Beijing Finance Lease Agreement is RMB17,411,954.

The consideration for the transfer of the Leased Assets shall be paid by Shanghai Yixin to Zhidao Beijing in one lump sum to the designated bank account of Zhidao Beijing. Upon the payment of the consideration for transfer of the Leased Assets, the ownership of the Leased Assets shall be transferred from Zhidao Beijing to Shanghai Yixin.

Leaseback of the Leased Assets to Zhidao Beijing

Pursuant to the Zhidao Beijing Finance Lease Agreement, the Leased Assets shall be leased back to Zhidao Beijing during the Lease Period at the total rent (inclusive of tax) of approximately RMB14,570,977, which comprises:

- (i) the lease principal of RMB12,561,193, representing the consideration of the transfer of the Leased Assets by the Zhidao Beijing to Shanghai Yixin as determined with reference to the net book value of the Leased Assets; and
- (ii) the lease interest (inclusive of tax) of approximately RMB2,009,784, which is calculated at the interest rate of 16% (as determined with reference to the prevailing market rates for finance leases of comparable assets).

The total rent of RMB14,507,977 shall be paid by Zhidao Beijing to Shanghai Yixin as follows:

- (i) the lease interest of RMB2,009,784 shall be paid during the Lease Period in 24 instalments; and
- (ii) the lease principal of RMB12,561,193 shall be paid in one lump sum at the 24th instalment.

Lease Period

The Lease Period of the Leased Assets under the Zhidao Beijing Finance Lease Agreement shall be 24 months commencing from the Payment Date.

Leased Assets

The Leased Assets comprise automobiles and assets originally owned by Zhidao Beijing as particularised under the Zhidao Beijing Finance Lease Agreement. The net assets value of the Leased Assets under the Zhidao Beijing Finance Lease Agreement as at the date of the Zhidao Beijing Finance Lease Agreement was approximately RMB14,570,977 in total.

Ownership of the Leased Assets during and after the Lease Period

Upon Shanghai Yixin's payment of consideration for the transfer of the Leased Assets in accordance with the Zhidao Beijing Finance Lease Agreement, the ownership of the Leased Assets becomes vested in Shanghai Yixin while Zhidao Beijing will be entitled to use the Leased Assets.

Upon expiry of the Lease Period and subject to full payment of all the rents and other amounts payable and the satisfaction of other conditions by Zhidao Beijing under the Zhidao Beijing Finance Lease Agreement, Shanghai Yixin shall transfer the ownership of the Leased Assets back to the Zhidao Beijing.

Leased Assets Pledge

Further, pursuant to the Zhidao Beijing Finance Lease Agreement, Shanghai Yixin authorised Zhidao Beijing to pledge the Leased Assets (including the rental receivables and interests related to the Leased Assets arising from its finance lease agreements) in favour of Shanghai Yixin, so as to secure its liabilities under the Zhidao Beijing Finance Lease Agreement and for registration purposes, and on September 18, 2023, Shanghai Yixin and Zhidao Beijing entered into a pledge agreement in relation to the said pledge of the Leased Assets.

2. HENGYANG RONGCHE FINANCE LEASE AGREEMENT

Sale of the Leased Assets to Shanghai Yixin

Pursuant to the Hengyang Rongche Finance Lease Agreement, Hengyang Rongche (as the lessee) agreed to sell and Shanghai Yixin (as the lessor) agreed to purchase the Leased Assets originally owned by Hengyang Rongche at a consideration of RMB4,886,180, which was determined after arm's length negotiation between Hengyang Rongche and Shanghai Yixin with reference to the net book value of the Leased Assets as confirmed by Hengyang Rongche.

The consideration for the transfer of the Leased Assets shall be paid by Shanghai Yixin to Hengyang Rongche in one lump sum to the designated bank account of Hengyang Rongche. Upon the payment of the consideration for transfer of the Leased Assets, the ownership of the Leased Assets shall be transferred from Hengyang Rongche to Shanghai Yixin. According to the information provided by Hengyang Rongche, the aggregate original acquisition cost of the Leased Assets under the Hengyang Rongche Finance Lease Agreement is RMB31,930,682.

Leaseback of the Leased Assets to Hengyang Rongche

Pursuant to the Hengyang Rongche Finance Lease Agreement, the Leased Assets shall be leased back to Hengyang Rongche during the Lease Period at the total rent (inclusive of tax) of approximately RMB5,667,980, which comprises:

- (i) the lease principal of RMB4,886,180, representing the consideration of the transfer of the Leased Assets by Hengyang Rongche to Shanghai Yixin as determined with reference to the net book value of the Leased Assets; and
- (ii) the lease interest (inclusive of tax) of approximately RMB781,800, which is calculated at the interest rate of 16% (as determined with reference to the prevailing market rates for finance leases of comparable assets).

The total rent of RMB5,667,980 shall be paid by Hengyang Rongche to Shanghai Yixin as follows:

- (i) the lease interest of RMB781,800 shall be paid during the Lease Period in 24 instalments; and
- (ii) the lease principal of RMB4,886,180 shall be paid in one lump sum at the 24th instalment.

Lease Period

The Lease Period of the Leased Assets under the Hengyang Rongche Finance Lease Agreement shall be 24 months commencing from the Payment Date.

Leased Assets

The Leased Assets comprise automobiles and assets originally owned by Hengyang Rongche as particularised under the Hengyang Rongche Finance Lease Agreement. The net assets value of the Leased Assets under the Hengyang Rongche Finance Lease Agreement as at the date of the Hengyang Rongche Finance Lease Agreement was approximately RMB5,667,980 in total.

Ownership of the Leased Assets during and after the Lease Period

Upon Shanghai Yixin's payment of consideration for the transfer of the Leased Assets in accordance with the Hengyang Rongche Finance Lease Agreement, the ownership of the Leased Assets becomes vested in Shanghai Yixin while Hengyang Rongche will be entitled to use the Leased Assets.

Upon expiry of the Lease Period and subject to full payment of all the rents and other amounts payable and the satisfaction of other conditions by Hengyang Rongche under the Hengyang Rongche Finance Lease Agreement, Shanghai Yixin shall transfer the ownership of the Leased Assets back to Hengyang Rongche.

Leased Assets Pledge

Further, pursuant to the Hengyang Rongche Finance Lease Agreement, Shanghai Yixin authorised Hengyang Rongche to pledge the Leased Assets (including the rental receivables and interests related to the Leased Assets arising from its finance lease agreements) in favour of Shanghai Yixin, so as to secure its liabilities under the Hengyang Rongche Finance Lease Agreement and for registration purposes, and on September 18, 2023, Shanghai Yixin and Hengyang Rongche entered into a pledge agreement in relation to the said pledge of the Leased Assets.

REASONS AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENTS

The entering into of the Finance Lease Agreements is part of the Group's ordinary and usual course of business and is expected to provide a stable revenue and cashflow to the Group.

In view of the above, the Board (including the independent non-executive Directors) considers that each of the Finance Lease Agreements, and the transactions contemplated thereunder, are entered into in the ordinary and usual course of business of the Group, and the terms are based on normal commercial terms and arrived at after arm's length negotiations between the parties thereto, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

As Mr. Qing Hua Xie, a non-executive Director, is also a corporate vice president of Tencent, he has abstained from voting on the resolutions of the Board approving the Finance Lease Agreements. Save as disclosed above, none of the Directors have any material interest in the Finance Lease Agreements and no other Directors are therefore required to abstain from voting on the relevant resolution of the Board.

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.

Shanghai Yixin is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Shanghai Yixin is principally engaged in financing lease business in the PRC.

Zhidao Shenzhen is a company incorporated in the PRC with limited liability. As at the date of this announcement, Zhidao Shenzhen is owned as to approximately 5.24% by the Company indirectly through its Consolidated Affiliated Entity and 15.08% by Tencent indirectly through its non-wholly owned subsidiary. Given Tencent is a Controlling Shareholder and hence a connected person of the Company, Zhidao Shenzhen is therefore regarded as a commonly held entity of the Company within the meaning in Rule 14A.27 of the Listing Rules. Zhidao Shenzhen is principally engaged in the research and development of smart Internet vehicles, autonomous driving operations and related technology.

Zhidao Beijing is a company incorporated in the PRC with limited liability and is a direct wholly-owned subsidiary of the Zhidao Shenzhen. Zhidao Beijing is principally engaged in financing lease business.

Hengyang Rongche is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Zhidao Shenzhen. Hengyang Rongche is principally engaged in the research and development of smart Internet vehicles, autonomous driving operations and related technology.

LISTING RULES IMPLICATIONS

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DEFINITIONS

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

“Board”	the board of Directors
“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 by the Listing Rules
“Consolidated Affiliated Entity”	the entity the Company controls through a series of contractual arrangements
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Lease Agreements”	the Zhidao Beijing Finance Lease Agreement and the Hengyang Rongche Finance Lease Agreement
“Group”	the Company, its subsidiaries and the Consolidated Affiliated Entity

“Hengyang Rongche”	Hengyang Rongche Information Technology Co., Ltd.* (衡陽融車資訊科技有限公司), a company incorporated in the PRC with limited liability
“Hengyang Rongche Finance Lease Agreement”	the finance lease agreement dated September 18, 2023 entered into between Shanghai Yixin (as the lessor) and Hengyang Rongche (as the lessee) with a lease period of 24 months
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Leased Asset(s)”	automobiles and assets which are originally owned by the respective lessees and are subject to the sale and leaseback arrangement under each of the Finance Lease Agreements
“Lease Period”	the period of 24 months commencing from the respective Payment Date under each of the Finance Lease Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the options market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
“Payment Date”	the respective date of payment of consideration by Shanghai Yixin to Zhidao Beijing or Hengyang Rongche (as the case may be) in respect of the transfer of the Leased Assets from Zhidao Beijing or Hengyang Rongche (as the case may be) to Shanghai Yixin pursuant to the respective Finance Lease Agreements
“PRC”	the People’s Republic of China and, except where the context requires and only for the purpose of this announcement, references in this announcement to the PRC do not include Taiwan, Hong Kong or the Macau Special Administrative Region of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Yixin”	Shanghai Yixin Financing Lease Co., Ltd* (上海易鑫融資租賃有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.0001
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under 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
“US\$”	United States dollars, the lawful currency of the United States of America
“Zhidao Beijing”	Zhidao Internet Technology (Beijing) Company Limited* (智道網聯科技(北京)有限公司), a company incorporated in the PRC with limited liability
“Zhidao Beijing Finance Lease Agreement”	the finance lease agreement dated September 18, 2023 entered into between Shanghai Yixin (as the lessor) and Zhidao Beijing (as the lessee) with a lease period of 24 months
“Zhidao Shenzhen”	Zhidao Internet Technology (Shenzhen) Company Limited* (智道網聯科技(深圳)有限公司), a company incorporated in the PRC with limited liability
“%”	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, September 18, 2023

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