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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)

**DISCLOSEABLE TRANSACTION IN RELATION TO
JULY 2023 FINANCE LEASE TRANSACTION DOCUMENTS
AND
MAY 2023 FINANCE LEASE TRANSACTION DOCUMENTS
WITH HUAXIA FINANCIAL LEASING**

JULY 2023 FINANCE LEASE TRANSACTION DOCUMENTS

On July 14, 2023, Shanghai Yixin (as the Lessee), Huaxia Financial Leasing (as the Lessor) and Xinchu Investment (as the guarantor) entered into the July 2023 Finance Lease Transaction Documents.

Pursuant to the July 2023 Finance Lease Transaction Documents, the Lessee agreed to sell certain Leased Assets to the Lessor at a consideration of RMB150,000,000.00 and the Lessor agreed to lease back the Leased Assets to the Lessee 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 Lessee under the July 2023 Finance Lease Agreement, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee at a nominal consideration of RMB1. The Lessor shall provide to the Lessee a certificate of transfer of ownership of the Leased Assets to effectuate the transfer.

MAY 2023 FINANCE LEASE TRANSACTION DOCUMENTS

On May 29, 2023, Shanghai Yixin (as the Lessee), Huaxia Financial Leasing (as the Lessor) and Xince Investment (as the guarantor) entered into the May 2023 Finance Lease Transaction Documents.

Pursuant to the May 2023 Finance Lease Transaction Documents, the Lessee agreed to sell certain Leased Assets to the Lessor at a consideration of RMB180,000,000.00, and the Lessor agreed to lease back the Leased Assets to the Lessee during the Lease Period, with the lease principal being of the same amount as the amount of consideration for the 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 Lessee under the May 2023 Finance Lease Agreement, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee at a nominal consideration of RMB1. The Lessor shall provide to the Lessee a certificate of transfer of ownership of the Leased Assets to effectuate the transfer.

LISTING RULES IMPLICATIONS

During the 12-month period preceding the date of the July 2023 Finance Lease Transaction Documents, the Group (through Shanghai Yixin and Xince Investment) and Huaxia Financial Leasing entered into the May 2023 Finance Lease Transaction Documents. Therefore, the transactions contemplated under the 2023 Huaxia Finance Lease Transaction Documents have been aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As none of the applicable percentage ratios in respect of the May 2023 Finance Lease Transaction Documents exceeded 5%, the transactions contemplated thereunder did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the July 2023 Finance Lease Transaction Documents, when aggregated with the May 2023 Finance Lease Transaction Documents, is more than 5% but less than 25%, the transactions contemplated under the 2023 Huaxia Finance Lease Transaction Documents, on an aggregate basis, constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the requirement of the Shareholders' approval under Chapter 14 of the Listing Rules.

JULY 2023 FINANCE LEASE TRANSACTION DOCUMENTS

On July 14, 2023, Shanghai Yixin (as the Lessee), Huaxia Financial Leasing (as the Lessor) and Xince Investment (as the guarantor) entered into the July 2023 Finance Lease Transaction Documents.

Pursuant to the July 2023 Finance Lease Transaction Documents, the Lessee agreed to sell certain Leased Assets to the Lessor at a consideration of RMB150,000,000.00 and the Lessor agreed to lease back the Leased Assets to the Lessee 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 Lessee under the July 2023 Finance Lease Agreement, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee at a nominal consideration of RMB1. The Lessor shall provide to the Lessee a certificate of transfer of ownership of the Leased Assets to effectuate the transfer.

July 2023 Finance Lease Agreement

Sale of the Leased Assets to the Lessor

Pursuant to the July 2023 Finance Lease Agreement, the Lessee agreed to sell and the Lessor agreed to purchase the Leased Assets originally owned by the Lessee at a consideration of RMB150,000,000.00, which was determined after arm's length negotiation between the Lessee and the Lessor with reference to the net book value of the Leased Assets as confirmed by the Lessee.

The consideration for the transfer of the Leased Assets shall be paid by the Lessor to the Lessee in one lump sum or by instalments in accordance with the payment request note to be issued by the Lessee, subject to the satisfaction of all payment conditions under the July 2023 Finance Lease Agreement, but the entire amount of consideration shall be paid by no later than November 22, 2023. Such payment conditions include but are not limited to the following:

- (a) the July 2023 Finance Lease Agreement and other relevant legal documents have been duly executed in accordance with laws and have become effective;
- (b) the Lessor has received from the Lessee documents confirming the ownership of the Leased Assets;
- (c) the Lessor has received from the Lessee all requested information in relation to the completeness and compliance of Lessee's leasing business;
- (d) if it is agreed that the July 2023 Finance Lease Agreement shall be secured, all security documents and the security rights have become effective and the Lessor has received valid documents evidencing the registration of the securities that are subject to registration procedures;

- (e) the Lessor has received resolutions of the board of directors or shareholders of the Lessee approving the finance lease transactions between the Lessor and the Lessee;
- (f) if it is agreed that the July 2023 Finance Lease Agreement shall be secured, the Lessor has received resolutions of the board of directors or shareholders of the surety approving the provision of security for the finance lease transactions between the Lessor and the Lessee, and an announcement has been made if required;
- (g) the Lessor has received from the Lessee a confirmation on acceptance of the Leased Assets and documents evidencing the relevant titles, as well as all other relevant information and documents stipulated in the schedule to the July 2023 Finance Lease Agreement;
- (h) the Lessor has received from the Lessee a notice of acceptance of the Leased Assets (which stipulates the transfer of the ownership of the Leased Assets to the Lessor), the proof of relevant titles, and all other related documents as agreed in the schedule to the July 2023 Finance Lease Agreement;
- (i) the Lessee has paid in full to the Lessor the security deposit and other amounts payable in accordance with the July 2023 Finance Lease Agreement;
- (j) the Lessee is not in breach of any other contracts or agreements entered into with the Lessor or any undertakings made to the Lessor;
- (k) the Leased Assets have been insured in accordance with the July 2023 Finance Lease Agreement;
- (l) the Leased Assets have been registered in the Credit Information Centre of the People's Bank of China or other registration authority as required by law;
- (m) the Lessor has received a payment request note from the Lessee;
- (n) other conditions or relevant procedures as stipulated under the July 2023 Finance Lease Agreement and its schedule have been satisfied; and
- (o) there has not been any material change in the national fiscal, currency and financial regulatory policies, and the payment of transfer price does not constitute additional implicit debt of the local government, at the time when the Lessor pays the transfer price for the Leased Assets.

As at the date of first payment of consideration for transfer of the Leased Assets, the ownership of the Leased Assets shall be transferred from the Lessee to the Lessor.

Leaseback of the Leased Assets to the Lessee

Pursuant to the July 2023 Finance Lease Agreement, the Leased Assets shall be leased back to the Lessee during the Lease Period at the total rent (inclusive of tax) of approximately RMB160,935,122.24, which comprises:

- (i) the lease principal of RMB150,000,000.00, representing the consideration of the transfer of the Leased Assets by the Lessee to the Lessor as determined with reference to the net book value of the Leased Assets; and
- (ii) the lease interest (inclusive of tax) of approximately RMB10,935,122.24, which is calculated at the interest rate of 5.15% (as determined with reference to the prevailing loan prime rate for loans with a maturity of more than 5 years as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China, plus 95 basis points in accordance with the terms of the July 2023 Finance Lease Agreement).

The total rent shall be paid by the Lessee to the Lessor during the Lease Period in 32 instalments.

Lease Period

The Lease Period of the Leased Assets under the July 2023 Finance Lease Agreement shall be 32 months commencing from the relevant Payment Date.

Leased Assets

The Leased Assets comprise automobiles originally owned by the Lessee as particularised under the July 2023 Finance Lease Agreement. The Leased Assets did not generate revenue and net profits for the Group for the years ended December 31, 2021 and 2022. The net assets value of the Leased Assets under the July 2023 Finance Lease Agreement as at the last date of determining the composition of the Leased Assets was approximately RMB178,843,542.66 in total.

Ownership of the Leased Assets during and after the Lease Period

Upon the Lessor's first payment of consideration for the transfer of the Leased Assets in accordance with the July 2023 Finance Lease Agreement, the ownership of the Leased Assets becomes vested in the Lessor while the Lessee will be entitled to use the Leased Assets.

Upon expiry of the Lease Period and subject to full payment of all the rents, consideration for repurchase of the Leased Assets, and other amounts payable and the satisfaction of other conditions by the Lessee under the July 2023 Finance Lease Agreement, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee at a nominal consideration of RMB1. The Lessor shall provide to the Lessee a certificate of transfer of ownership of the Leased Assets to effectuate the purported transfer.

Security deposit

Pursuant to the July 2023 Finance Lease Agreement, prior to the relevant Payment Date, the Lessee shall pay to the Lessor an amount of RMB4,500,000.00 (being 3% of the total amount of lease principal under the July 2023 Finance Lease Agreement), so as to protect the rights of the lessor under the July 2023 Finance Lease Agreement. The security deposit can be used to offset (i) liquidated damages for late payment, (ii) rent payable, (iii) other liquidated damages (if any); and (iv) other amounts payable by the Lessee under the July 2023 Finance Lease Agreement. If there is no default during the term of the July 2023 Finance Lease Agreement, the security deposit may be used to offset the amount of final instalment(s) of rents payable by the Lessee. The remaining amount of rents after the set-off shall be paid in full by the Lessee on the date of rental payment, with the specific amount and timing of payment to be notified by the Lessor.

July 2023 Receivables Pledge Agreement

On July 14, 2023, the Lessor and the Lessee entered into the July 2023 Receivables Pledge Agreement, pursuant to which the Lessee agreed to pledge the rental receivables and the interests related thereto arising from its finance lease agreements (and the subsequent supplemental documents or agreements) in favour of the Lessor, so as to secure its liabilities under the July 2023 Finance Lease Agreement, including but not limited to all due rent, undue rent, liquidated damages for late payment, security deposit, early termination charge, consideration and other amounts payable for repurchase, fees incurred by the Lessor to enforce its creditor's rights and the pledge, and all other amounts payable that shall be borne by the Lessee in accordance with the laws.

July 2023 Guarantee Agreement

On July 14, 2023, Xinche Investment, an indirect wholly-owned subsidiary of the Company, entered into the July 2023 Guarantee Agreement with the Lessor, pursuant to which Xinche Investment agreed to provide guarantee in favour of the Lessor in respect of all liabilities under the July 2023 Finance Lease Agreement and all liabilities that shall be owed by the Lessee to the Lessor following the termination of the July 2023 Finance Lease Agreement. Such liabilities include but are not limited to all due rent, undue rent, security deposit, early termination charge, consideration for repurchase, liquidated damages for late payment and other amounts payable, fees incurred by the Lessor to enforce its creditor's rights, and other obligations (other than the aforementioned payment or compensation obligations) under the July 2023 Finance Lease Agreement that shall be borne by the Lessee.

Effective date of the July 2023 Finance Lease Transaction Documents

Each of the July 2023 Finance Lease Transaction Documents shall become effective upon the signing by legal representative or authorized representative and affixation of seal by the parties thereto. The pledge under the July 2023 Receivables Pledge Agreement shall be created upon completion of its registration at the Credit Information Centre of the People's Bank of China.

MAY 2023 FINANCE LEASE TRANSACTION DOCUMENTS

On May 29, 2023, Shanghai Yixin (as the Lessee), Huaxia Financial Leasing (as the Lessor) and Xinche Investment (as the guarantor) entered into the May 2023 Finance Lease Transaction Documents.

Pursuant to the May 2023 Finance Lease Transaction Documents, the Lessee agreed to sell certain Leased Assets to the Lessor at a consideration of RMB180,000,000.00, and the Lessor agreed to lease back the Leased Assets to the Lessee during the Lease Period, with the lease principal being of the same amount as the amount of consideration for the 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 Lessee under the May 2023 Finance Lease Agreement, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee at a nominal consideration of RMB1. Pursuant to the May 2023 Receivables Pledge Agreement, the Lessee also agreed to pledge certain rental receivables and the interests related thereto in favour of the Lessor in respect of the amounts payable by the Lessee under the May 2023 Finance Lease Agreement. Further, pursuant to the May 2023 Guarantee Agreement, Xinche Investment agreed to provide guarantee in favour of the Lessor in respect of all liabilities owed by the Lessee to the Lessor under the May 2023 Finance Lease Agreement.

The table below sets out the information about the May 2023 Finance Lease Transaction Documents, including (i) the amount of the lease principal (being of the same amount as the consideration for the transfer of Leased Assets from Lessee to Lessor); (ii) the approximate lease interest (inclusive of tax) and the interest rate; (iii) the approximate total rent at which the Leased Assets were leased back to the Lessee; (iv) the amount of the security deposit; (v) the approximate net assets value of the Leased Assets; and (vi) the Lease Period.

Lease principal	:	RMB180,000,000.00
Approximate lease interest (inclusive of tax)	:	RMB12,158,356.20
Interest rate	:	5.2% (as determined with reference to the prevailing loan prime rate for loans with a maturity of more than 5 years as promulgated by the National Interbank Funding Centre under the authority of the People's Bank of China, plus 90 basis points in accordance with the terms of the May 2023 Finance Lease Agreement)
Approximate total rent	:	RMB192,158,356.20, which shall be paid in 30 instalments
Security deposit	:	RMB5,400,000.00
Approximate net assets value of the Leased Assets	:	RMB215,266,220.40
Lease Period (commencing from the relevant Payment Date)	:	30 months

Save for the key commercial terms set out in the table above, all material terms of the May 2023 Finance Lease Transaction Documents are substantially similar to the July 2023 Finance Lease Transaction Documents as disclosed above.

The amount of consideration (being of the same amount as the lease principal set out in the table above) for the transfer of Leased Assets from the Lessee to the Lessor under the May 2023 Finance Lease Transaction Documents was determined after arm's length negotiation between the parties thereto with reference to the net book value of the Leased Assets as confirmed by the Lessee.

REASONS AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

By entering into the 2023 Huaxia Finance Lease Transaction Documents, the Group can diversify its financing channels, replenish capital required for its operations and optimise its liability structure.

In view of the above, the Board (including the independent non-executive Directors) considers that the terms of each of the July 2023 Finance Lease Transaction Documents and the May 2023 Finance Lease Transaction Documents, and the transactions contemplated thereunder, were 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.

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.

Xinche Investment is an indirect wholly-owned subsidiary of the Company and the holding company of the PRC entities of the Group.

Huaxia Financial Leasing is a company established under the laws of the PRC with limited liability, and is principally engaged in the provision of financial leasing service. As at the date of this announcement, the equity interests of Huaxia Financial Leasing are held by Hua Xia Bank Co., Limited* (華夏銀行股份有限公司) and Kunming Industrial Development and Investment Co., Ltd.* (昆明產業開發投資有限責任公司) as to approximately 82% and 18%, respectively. Hua Xia Bank Co., Limited is a company listed on the Shanghai Stock Exchange (stock code: 600015) and its principal business includes the provision of banking services in the PRC. Kunming Industrial Development and Investment Co., Ltd. is principally engaged in the business of industrial development, land development, and investment in and management and operation of projects commissioned by the government, and as at the date of this announcement, it is owned by the State-owned Assets Supervision and Administration Commission of the Kunming Municipal People's Government* (昆明市人民政府國有資產監督管理委員會) and the Department of Finance of Yunnan Province* (雲南省財政廳) as to approximately 91.16% and 8.84%, respectively.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, as at the date of this announcement, Huaxia Financial Leasing and its ultimate beneficial owners are Independent Third Parties and not connected with the Company or its connected persons.

LISTING RULES IMPLICATIONS

During the 12-month period preceding the date of the July 2023 Finance Lease Transaction Documents, the Group (through Shanghai Yixin and Xinche Investment) and Huaxia Financial Leasing entered into the May 2023 Finance Lease Transaction Documents. Therefore, the transactions contemplated under the 2023 Huaxia Finance Lease Transaction Documents have been aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules.

As none of the applicable percentage ratios in respect of the May 2023 Finance Lease Transaction Documents exceeded 5%, the transactions contemplated thereunder did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As the highest of the applicable percentage ratios in respect of the July 2023 Finance Lease Transaction Documents, when aggregated with the May 2023 Finance Lease Transaction Documents, is more than 5% but less than 25%, the transactions contemplated under the 2023 Huaxia Finance Lease Transaction Documents, on an aggregate basis, constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements but exempt from the requirement of the Shareholders' approval under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“2023 Huaxia Finance Lease Transaction Documents”	collectively, the July 2023 Finance Lease Transaction Documents and the May 2023 Finance Lease Transaction Documents
“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, 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
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and the Consolidated Affiliated Entity
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huaxia Financial Leasing”	Huaxia Financial Leasing Co., Ltd.* (華夏金融租賃有限公司), a company established under the laws of the PRC with limited liability
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company or an associate of such person within the meaning ascribed to it by the Listing Rules
“July 2023 Finance Lease Agreement”	the finance lease agreement dated July 14, 2023 entered into between the Lessor and the Lessee with a lease period of 32 months

“July 2023 Finance Lease Transaction Documents”	collectively, the July 2023 Finance Lease Agreement, the July 2023 Receivables Pledge Agreement and the July 2023 Guarantee Agreement
“July 2023 Guarantee Agreement”	the guarantee agreement dated July 14, 2023 entered into between Xinche Investment and the Lessor in relation to the guarantee provided by Xinche Investment in favour of the Lessor in respect of the liabilities owed by the Lessee to the Lessor under the July 2023 Finance Lease Agreement
“July 2023 Receivables Pledge Agreement”	the receivables pledge agreement dated July 14, 2023 entered into between the Lessor and the Lessee in relation to the July 2023 Finance Lease Agreement
“Leased Asset(s)”	automobiles and assets which are originally owned by the Lessee and are subject to the sale and leaseback arrangement under each of the July 2023 Finance Lease Transaction Documents and/or the May 2023 Finance Lease Transaction Documents (as the case may be)
“Lease Period”	the period of 32 months or 30 months commencing from the respective Payment Date under each of the July 2023 Finance Lease Agreement or the May 2023 Finance Lease Agreement (as the case may be)
“Lessee”	Shanghai Yixin
“Lessor”	Huaxia Financial Leasing
“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
“May 2023 Finance Lease Agreement”	the finance lease agreement dated May 29, 2023 entered into between the Lessor and the Lessee with a lease period of 30 months
“May 2023 Finance Lease Transaction Documents”	collectively, the May 2023 Finance Lease Agreement, the May 2023 Receivables Pledge Agreement and the May 2023 Guarantee Agreement
“May 2023 Guarantee Agreement”	the guarantee agreement dated May 29, 2023 entered into between Xinche Investment and the Lessor in relation to the guarantee provided by Xinche Investment in favour of the Lessor in respect of all liabilities owed by the Lessee to the Lessor under the May 2023 Finance Lease Agreement

“May 2023 Receivables Pledge Agreement”	the receivables pledge agreement dated May 29, 2023 entered into between the Lessor and the Lessee in relation to the May 2023 Finance Lease Agreement
“Payment Date”	the date of first payment of consideration by the Lessor to the Lessee in respect of the transfer of the Leased Assets from the Lessee to the Lessor pursuant to each of the July 2023 Finance Lease Agreement or the May 2023 Finance Lease Agreement (as the case may be)
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“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
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	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
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“US\$”	United States dollars, the lawful currency of the United States of America
“Xinche Investment”	Xinche Investment (Shanghai) Co., Ltd.* (鑫車投資(上海)有限公司), 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, July 14, 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