
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Yixin Group Limited 易鑫集团有限公司, you should at once hand this circular, together with the enclosed proxy form, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as "Yixin Automotive Technology Group Limited")

(Stock code: 2858)

PROPOSED INCREASE IN SCHEME LIMIT UNDER THE FIRST SHARE AWARD SCHEME, PROPOSED SCHEME MANDATE TO ISSUE SHARES UNDER THE FIRST SHARE AWARD SCHEME AND NOTICE OF EXTRAORDINARY GENERAL MEETING

A notice convening the Extraordinary General Meeting of Yixin Group Limited 易鑫集团有限公司 to be held at Meeting Room – Yixin Rong, 2nd Floor, Yixin Building, 1 North, Zhongguancun Hongqiao Innovation Center, 365 Linhong Road, Changning District, Shanghai, China on Thursday, May 6, 2021 at 9:30 a.m. is set out on pages 20 to 23 of this circular. A proxy form for use at the Extraordinary General Meeting is also enclosed.

No provision of corporate gifts and refreshments at the Extraordinary General Meeting in order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of Shareholders.

Irrespective of whether you are able to attend the Extraordinary General Meeting, please complete, sign and return the enclosed proxy form in accordance with the instructions printed thereon to the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof if they so wish. In such event, the proxy form shall be deemed to be revoked.

In light of the epidemic situation of Novel Coronavirus (COVID-19), Shareholders may consider appointing the chairman of the Extraordinary General Meeting as his/her proxy to vote on the resolutions, instead of attending the Extraordinary General Meeting or any adjourned meeting in person.

March 23, 2021

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix I – Information regarding the First Share Award Scheme	13
Notice of Extraordinary General Meeting	20

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Additional Shares”	3,303,222 Shares, or 23,122,554 underlying Shares after taking into account the Capitalization Issue, being the equivalent to the aggregate number of Shares underlying the options that were not granted under the Pre-IPO Share Option Scheme prior to the Global Offering
“Announcement”	the announcement of the Company dated February 18, 2021
“Articles” or “Articles of Association”	the amended and restated articles of association of the Company conditionally adopted on 1 November 2017 and effective on the Listing Date
“associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Award”	an award granted pursuant to the First Share Award Scheme, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash in accordance with the First Share Award Scheme
“Award Share(s)”	the Share(s) to be issued and allotted to a grantee of an Award
“Board”	the board of Directors
“Capitalization Issue”	the issue of 4,626,550,692 Shares on the Listing Date made upon the capitalization of part of the sum standing to the credit of the share premium account of the Company, details of which are set out in the section headed “History and Corporate Structure – The Capitalization Issue” of the Prospectus
“China” or “PRC”	the People’s Republic of China, which for the purpose of this circular to the PRC or China excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan

DEFINITIONS

“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 under 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
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at 9:30 a.m. on Thursday, May 6, 2021 at Meeting Room – Yixin Rong, 2nd Floor, Yixin Building, 1 North, Zhongguancun Hongqiao Innovation Center, 365 Linhong Road, Changning District, Shanghai, China for the purpose of considering and, if thought fit, approving, among other things, the Increase in Scheme Limit and the Scheme Mandate
“Eligible Person(s)”	any individual, being an employee, director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group
“Existing Scheme Limit”	the maximum number of Shares underlying all Awards that may be granted under the First Share Award Scheme without further Shareholders’ approval, being 10,118,631 Shares, or 70,830,417 Shares after taking into account the Capitalization Issue, subject to an increase of the Additional Shares (excluding Award Shares that have been forfeited in accordance with the Scheme Rules)

DEFINITIONS

“First Share Award Scheme”	the share award scheme of the Company, which was adopted on May 26, 2017 and amended on September 1, 2017, further details of which are disclosed in the section headed “Statutory and General Information – Pre-IPO Share Option and Share Award Schemes – First Share Award Scheme” in Appendix IV to the Prospectus
“Global Offering”	the offer of Shares for subscription by the public in Hong Kong and the international placing of Shares as described in the Prospectus
“Group”	the Company, its subsidiaries and the Consolidated Affiliated Entity
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Increase in Scheme Limit”	the Existing Scheme Limit of the First Share Award Scheme be increased by 191,298,011 Shares (representing approximately 3.00% of the total issued Shares as at the Latest Practicable Date), in accordance with the provisions in the Scheme Rules
“Latest Practicable Date”	March 15, 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	November 16, 2017, being the date the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“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
“Memorandum”	the memorandum of association of the Company conditionally adopted on November 1, 2017 and effective on the Listing Date

DEFINITIONS

“New Scheme Limit”	285,250,982 Shares (representing approximately 4.47% of the total issued Shares as at the Latest Practicable Date)
“Pre-IPO Share Option Scheme”	the pre-IPO share option scheme adopted by the Company on May 26, 2017, further details of which are disclosed in the section headed “Statutory and General Information – Pre-IPO Share Option and Share Award Schemes – Pre-IPO Share Option Scheme” in Appendix IV to the Prospectus
“Prospectus”	the prospectus of the Company dated November 6, 2017
“Scheme Mandate”	a mandate to be granted by the Shareholders to the Directors to issue, allot, procure the transfer of and otherwise deal with the 191,298,011 Shares that may be awarded pursuant to the First Share Award Scheme upon the Increase in Scheme Limit becoming effective in excess of those Shares under the Existing Scheme Limit previously approved by the Shareholders
“Scheme Rules”	the scheme rules of the First Share Award Scheme as amended from time to time
“Selected Participant(s)”	any Eligible Person approved for participation in the First Share Award Scheme and who has been granted any Award in accordance with the Scheme Rules
“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
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Andy Xuan Zhang (*Chairman and Chief Executive Officer*)
Mr. Dong Jiang (*President*)

Registered Office:

P.O. Box 309, Ugland House
Grand Cayman, KY 1-1104
Cayman Islands

Non-executive Directors:

Mr. Jimmy Chi Ming Lai
Mr. Chenkai Ling
Mr. Huan Zhou

Head Office and Principal Place of Business in China:

Yixin Building
1 North, Zhongguancun Hongqiao
Innovation Center
365 Linhong Road
Changning District
Shanghai
China

Independent Non-executive Directors:

Mr. Tin Fan Yuen
Mr. Chester Tun Ho Kwok
Ms. Lily Li Dong

Principal Place of Business in Hong Kong:

Suite 709, Champion Tower
Three Garden Road, Central
Hong Kong

March 23, 2021

To the Shareholders

Dear Sir or Madam,

**PROPOSED INCREASE IN SCHEME LIMIT UNDER THE FIRST
SHARE AWARD SCHEME,
PROPOSED SCHEME MANDATE TO ISSUE SHARES UNDER
THE FIRST SHARE AWARD SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the Announcement. As stated in the Announcement, the Board has resolved to increase the Existing Scheme Limit of the First Share Award Scheme by 191,298,011 Shares to the New Scheme Limit of 285,250,982 Shares, by way of alteration of the Scheme Rules, in accordance with the provisions in the Scheme Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with further information of the following:

- (i) the proposed Increase in Scheme Limit;
- (ii) the proposed Scheme Mandate; and
- (iii) other information in accordance with the requirements of the Listing Rules.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, approve, among other things, the Increase in Scheme Limit and the Scheme Mandate. The notice of EGM is enclosed herein as part of this circular.

THE FIRST SHARE AWARD SCHEME

Reference is made to the First Share Award Scheme, details of which are disclosed in the section headed “Statutory and General Information – Pre-IPO Share Option and Share Award Schemes – First Share Award Scheme” in Appendix IV to the Prospectus.

The First Share Award Scheme was adopted by the Company on May 26, 2017 (as amended on September 1, 2017), pursuant to which the Board, its committee or person(s) which it has delegated its authority may in its sole discretion from time to time select any Eligible Person who have contributed or will contribute to the Group to be a Selected Participant and grant an Award to such Selected Participant. Awards granted under the First Share Award Scheme may be vested in the form of Award Shares, or the actual selling price of the Award Shares in cash in accordance with the First Share Award Scheme.

The purpose of the First Share Award Scheme is to align the interests of Eligible Persons’ with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

Since the inception of the First Share Award Scheme and as of the Latest Practicable Date, the Awards have only been granted to employees of the Group. The basis and criteria for determining the eligibility of the Participants under the First Share Award Scheme have been disclosed in the Prospectus, namely “any individual, being an employee, director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or and affiliate (an “**Eligible Person**” and, collectively “**Eligible Persons**”) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award”, and excluding “any individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the First Share Award Scheme is not permitted

LETTER FROM THE BOARD

under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual”.

While there are no other formal eligibility criteria beyond the above and the selection of Selected Participants remains a matter of discretion of the Board (or its delegate(s) under the First Share Award Scheme), by way of illustration, the Company has historically granted Awards taking into account the following factors:

- (i) past work performance of the employee, including but not limited to his or her achievement of sales targets; and
- (ii) for new employees, the relevant factors may include the rank and importance of his or her hired position, his or her potential to contribute to the development of the Group in the long run as well as his or her attitude, motivation and commitment to work.

Although the Company has not as of the Latest Practicable Date identified any specific Selected Participants to whom it wishes to grant Awards following the Increase in Scheme Limit (if approved by the Shareholders) and it follows that there is no current plan to grant any Awards to any non-employee of the Group, the Board shall according to the Scheme Rules consider the contribution any potential non-employee grantee has brought or will bring to the Group before making any grant of Awards to such class of participants. Factors which may take into account include but not limited to the level of expertise, support and assistance to the Group in areas of big data, information system and technology, and industry policies and practices leading to the long term growth and development of the Group.

Notwithstanding the above mentioned factors, the selection criteria and the kind of value of the contribution to the Group shall remain at the discretion of the Board in accordance with the Scheme Rules.

PROPOSED INCREASE IN SCHEME LIMIT UNDER THE FIRST SWARD SHARE SCHEME

Pursuant to the First Share Award Scheme, the initial scheme limit is 10,118,631 Shares, or 70,830,417 Shares after taking into account the Capitalization Issue. The initial scheme limit is subject to the Additional Shares of 3,303,222 Shares, or 23,122,554 Shares after taking into account the Capitalization Issue (excluding Award Shares that have been forfeited in accordance with the Scheme Rules). Therefore the Existing Scheme Limit after taking into account the Capitalization Issue is 93,952,971 Shares which represents approximately 1.47% of the total issued Shares as at the Latest Practicable Date. The total number of Shares which may be granted under the Existing Scheme Limit thus must not exceed 93,952,971 Shares.

LETTER FROM THE BOARD

As at the Latest Practicable Date, 107,752,427 Shares in aggregate (including Award Shares that have been forfeited in accordance with the Scheme Rules) or 86,615,797 Award Shares in aggregate (excluding Award Shares that have been forfeited in accordance with the Scheme Rules) had been granted or agreed to be granted under the First Share Award Scheme. None of the relevant grantees is a connected person of the Company. As such, the remaining balance of Shares which could be granted under the First Share Award Scheme is 7,337,174 Shares.

The Board resolved that, subject to the Shareholders approving the Increase in Scheme Limit and the Scheme Mandate in a general meeting, the Existing Scheme Limit of the First Share Award Scheme be increased by 191,298,011 Shares (representing approximately 3.00% of the total issued Shares as at the Latest Practicable Date) to the New Scheme Limit of 285,250,982 Shares, by way of alteration of the Scheme Rules, in accordance with the provisions in the Scheme Rules.

The proposed amendments of the Scheme Rules to effect the Increase in Scheme Limit are as follows:

- (i) Paragraph 15.1 of the Scheme Rules shall be amended as follows:

the current text of Paragraph 15.1 of the Scheme Rules, which reads:

“The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 10,118,631 Shares without Shareholders’ approval (the “Scheme Limit”).”,

shall be deleted in its entirety and replaced with the following:

“The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 285,250,982 Shares without Shareholders’ approval (the “Scheme Limit”).”;

- (ii) Given the proposed changes made in Paragraph 15.1 of the Scheme Rules set out above, Paragraph 15.3 of the Scheme Rules would become redundant. Paragraph 15.3 of the Scheme Rules, the text of which is set out below, shall therefore be deleted in its entirety:

“Notwithstanding the Scheme Limit set out in Article 15.1 above, the Company may make further grants of Awards that will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme in addition to the Scheme Limit (the “Additional Shares”), provided that the number of Additional Shares shall be equivalent to the number of Shares in respect of which options have not been granted pursuant to the 2017 Share Incentive Plan adopted by the Company on 26 May 2017 (the “2017 Share Incentive Plan”). The date for determining the number of Additional Shares and the number of Shares that have not been awarded pursuant to the 2017 Share Incentive Plan shall be the day on which the Company’s Shares are listed on the Stock Exchange.”

LETTER FROM THE BOARD

Save for the proposed amendments set out above, other provisions of the First Share Award Scheme shall remain unchanged. A summary of the principal terms of the First Share Award Scheme, including the New Scheme Limit (assuming the proposed amendments had been approved at the EGM and were effective), is set out in Appendix I to this circular.

The New Scheme Limit was determined by reference to the number of potential Eligible Persons and the estimated future need of the Group to incentivize the Eligible Persons.

PROPOSED SCHEME MANDATE TO ISSUE SHARES UNDER THE FIRST SHARE AWARD SCHEME

As at the Latest Practicable Date, the issued share capital of the Company comprised 6,376,600,363 Shares.

As the Company may grant further Awards under the First Share Award Scheme after the Increase in Scheme Limit becoming effective and may issue and allot new Shares to satisfy the Awards in excess of those Shares under the Existing Scheme Limit, ordinary resolutions will be proposed at the EGM for the Shareholders to consider and, if thought fit, approve the Increase in Scheme Limit and the Scheme Mandate, subject to the listing division of the Stock Exchange granting the listing of and permission to deal in any Shares to be allotted and issued under the First Share Award Scheme in excess of those previously approved by the Stock Exchange.

The Scheme Mandate, once granted, shall remain effective until the variation or revocation of the Scheme Mandate by an ordinary resolution of the Shareholders in a general meeting.

Application(s) will be made to the listing division of the Stock Exchange for the listing of and the permission to deal in any Shares that may be allotted and issued pursuant to any Awards made under the First Share Award Scheme in excess of those Shares under the Existing Scheme Limit previously approved by the Stock Exchange.

As of the Latest Practicable Date, the Company has not yet identified any specific Selected Participants to whom it wishes to grant Awards pursuant to the First Share Award Scheme following the Increase in Scheme Limit. As such, as of the Latest Practicable Date, the Company has no immediate intention to grant any Awards following the Increase in Scheme Limit (if approved by the Shareholders).

LETTER FROM THE BOARD

REASONS AND RATIONALE FOR THE INCREASE IN SCHEME LIMIT AND THE SCHEME MANDATE

The purpose of the First Share Award Scheme is to retain Eligible Persons and to recognise and motivate the Eligible Persons to make contributions to the Group by aligning their interests with those of the Group through ownership of Shares and other relevant distributions.

As the Existing Scheme Limit is nearly depleted, the Increase in Scheme Limit and the Scheme Mandate will allow the Company to continue to grant Awards under the First Share Award Scheme so as to continue to serve its intended purposes and objectives of rewarding and incentivizing the Eligible Persons and to contribute to the success of the Group.

The Directors therefore consider that the Increase in Scheme Limit and the Scheme Mandate are in the interests of the Company and its Shareholders as a whole.

LISTING RULES IMPLICATION

The First Share Award Scheme is not a share option scheme and is not subject to the provisions of Chapter 17 of the Listing Rules.

Each of the Increase in Scheme Limit and the Scheme Mandate is conditional upon, among other things, the approval by the Shareholders by an ordinary resolution to be passed at the EGM. None of the Shareholders or their associates would have any interest in the Scheme Mandate. Accordingly, no Shareholders would be required to abstain from voting on the resolutions relating to the Scheme Mandate at the EGM.

The Board may grant Award Shares to a connected person of the Company under the First Share Award Scheme. Where any grant of Award Shares is proposed to be made to a connected person of the Company, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any reporting, announcement and/or independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, unless otherwise exempted under the Listing Rules.

EXTRAORDINARY GENERAL MEETING

Shareholders' approval is required for the Increase in Scheme Limit in accordance with the Scheme Rules. The Scheme Mandate, being a specific mandate, also requires Shareholders' approval pursuant to Rule 13.36(1) of the Listing Rules. The Company will therefore convene the EGM for the purpose of considering and, if thought fit, approving (i) the proposed Increase in Scheme Limit by way of alteration of the Scheme Rules, and (ii) the proposed grant of the Scheme Mandate. A notice convening the EGM is set out on pages 20 to 23 of this circular.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules and the article 13.6 of the Articles of Association, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the EGM will demand a poll for each and every resolution put forward at the EGM. The Company will appoint scrutineers to handle vote-taking procedures at the EGM. An announcement on the poll results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, May 3, 2021 to Thursday, May 6, 2021, both dates inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of Shares shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, April 30, 2021.

A proxy form for use at the EGM is enclosed with this circular and such proxy form is also published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.yixincars.com). To be valid, the proxy form must be completed, signed and returned in accordance with the instructions printed thereon and, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof at the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish. In such event, the proxy form shall be deemed to be revoked. In light of the epidemic situation of Novel Coronavirus (COVID-19), Shareholders may consider appointing the chairman of the Extraordinary General Meeting as his/her proxy to vote on the resolutions, instead of attending the Extraordinary General Meeting or any adjourned meeting in person.

Warning: Shareholders should note that the Increase in Scheme Limit and the Scheme Mandate are conditional upon satisfaction of the respective conditions set out in this circular and may or may not proceed. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the securities of the Company, and if they are in doubt about their position, they should consult their professional advisers.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the proposed Increase in Scheme Limit and the incidental amendment of the Scheme Rules and the granting of the Scheme Mandate are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Extraordinary General Meeting.

Yours faithfully

For and on behalf of the Board of

Yixin Group Limited

易鑫集团有限公司

Andy Xuan Zhang

Chairman

The following is a summary of the principal terms of the First Share Award Scheme conditionally adopted by the written resolutions our Shareholders on May 26, 2017, amended on September 1, 2017, and effective from the Listing Date. This summary assumes the proposed resolutions at the EGM have been approved and the Increase in Scheme Limit were effective.

(A) ELIGIBLE PERSONS TO THE FIRST SHARE AWARD SCHEME

Any individual, being an employee, director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate (an “**Eligible Person**” and, collectively “**Eligible Persons**”) who the Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Group is eligible to receive an Award. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the First Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the First Share Award Scheme.

(B) PURPOSE OF THE FIRST SHARE AWARD SCHEME

The purpose of the First Share Award Scheme is to align the interests of Eligible Persons’ with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain Eligible Persons to make contributions to the long-term growth and profits of the Group.

(C) AWARDS

An Award gives a selected participant a conditional right, when the Award Shares vest, to obtain the Award Shares or, if in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, the cash equivalent from the sale of the Award Shares. An Award includes all cash income from dividends in respect of those Shares from the date the Award is granted (the “**Grant Date**”) to the date the Award vests (the “**Vesting Date**”). For the avoidance of doubt, the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Award Shares be paid to the selected participant even though the Award Shares have not yet vested.

(D) GRANT OF AWARD**(i) Making the Grant**

The Board or the committee of the Board or person(s) to which the Board has delegated its authority may, from time to time, at their absolute discretion, grant an Award to a selected participant (in the case of the Board's delegate(s), to any selected participant other than a Director or an officer of the Company) by way of an award letter ("**Award Letter**"). The Award Letter will specify the Grant Date, the number of Award Shares underlying the Award, the vesting criteria and conditions, the Vesting Date and such other details as the Board or its delegate(s) may consider necessary.

Each grant of an Award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors of the Company (excluding any independent non-executive Director who is a proposed recipient of an Award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of the Company.

(ii) Restrictions on Grants and Timing of Grants

The Board and its delegate(s) may not grant any Award Shares to any selected participant in any of the following circumstances:

- (A) where any requisite approval from any applicable regulatory authorities has not been granted;
- (B) where any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the First Share Award Scheme, unless the Board determines otherwise;
- (C) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (D) where such grant of Award would result in a breach of the First Share Award Scheme Limit (as defined below) or would otherwise cause the Company to issue Shares in excess of the permitted amount in the mandate approved by the Shareholders;
- (E) where any Director of the Company is in possession of unpublished inside information in relation to the Company or where dealings by Directors of the Company are prohibited under any code or requirement of the Listing Rules and all applicable laws, rules or regulations, from time to time;

- (F) during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (G) during the period of 30 days immediately preceding the publication date of the half-year results or, if shorter, the period from the end of the relevant half-year period up to the publication date of the results.

(E) MAXIMUM NUMBER OF SHARES TO BE GRANTED

The aggregate number of Shares underlying all grants made pursuant to the First Share Award Scheme (excluding Award Shares which have been forfeited in accordance with the First Share Award Scheme) will not exceed 285,250,982 Shares without further Shareholders' approval (the "**Share Award Scheme Limit**").

(F) SCHEME MANDATE

To the extent that the First Share Award Scheme Limit is subsequently increased by way of alteration of the First Share Award Scheme and the Company is required to issue and allot new shares to satisfy any Awards in excess of any amount previously approved by the Shareholders, the Company shall at a general meeting propose, and the Shareholders shall consider and, if thought fit, pass an ordinary resolution approving a mandate specifying:

- (i) the maximum number of new Shares that may be issued for this purpose; and
- (ii) that the Board has the power to issue, allot, procure the transfer of and otherwise deal with the Shares in connection with the First Share Award Scheme.

The mandate will remain in effect during the period from the passing of the ordinary resolution granting the mandate until the variation or revocation of such mandate by an ordinary resolution of the Shareholders in a general meeting.

(G) RIGHTS ATTACHED TO THE AWARD

Save that the Board at its discretion may from time to time determine that any dividends declared and paid by the Company in relation to the Award Shares be paid to the selected participants even though the Award Shares have not yet vested, the selected participant only has a contingent interest in the Award Shares underlying an Award unless and until such Award Shares are actually transferred to the selected participant, nor does he/she have any rights to any related income until the Award Shares vest.

Neither the selected participant nor the Trustee may exercise any voting rights in respect of any Award Shares that have not yet vested.

(H) RIGHTS ATTACHED TO THE SHARES

Any Award Shares transferred to a selected participant in respect of any Awards will be subject to all the provisions of the Memorandum and the Articles and will form a single class with the fully paid Shares in issue on the relevant date.

(I) ISSUE OF SHARES AND/OR TRANSFER OF FUNDS TO THE TRUSTEE

The Company shall, as soon as reasonably practicable and no later than 30 business days from the Grant Date, (i) issue and allot Shares to the Trustee under the specific mandate sought from Shareholders during the general meeting and/or (ii) transfer to the Trustee the necessary funds and instruct the Trustee to acquire Shares through on-market transactions at the prevailing market price, so as to satisfy the Awards.

(J) ASSIGNMENT OF AWARDS

Any Award Shares granted under the First Share Award Scheme but not yet vested are personal to the selected participants to whom they are granted and cannot be assigned or transferred. A selected participant shall not in any way sell, transfer, charge, mortgage, encumber or create any interest in favor of any other person over or in relation to any Award, or enter into any agreement to do so.

(K) VESTING OF AWARDS

The Board or its delegate(s) may from time to time while the First Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested.

Within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any Vesting Date, the Board or its delegate(s) will send a vesting notice to the relevant selected participant and instruct the Trustee the extent to which the Award Shares held in the Trust shall be transferred and released from the Trust to the selected participant. Subject to the receipt of the vesting notice and notification from the Board or its delegate(s), the Trustee will transfer and release the relevant Award in the manner as determined by the Board or its delegate(s).

If, in the absolute discretion of the Board or its delegate(s), it is not practicable for the selected participant to receive the Award in Shares, solely due to legal or regulatory restrictions with respect to the selected participant's ability to receive the Award in Shares or the Trustee's ability to give effect to any such transfer to the selected participant, the Board or its delegate(s) will direct and procure the Trustee to sell, on-market at the prevailing market price, the number of Award Shares so vested in respect of the selected participant and pay the selected participant the proceeds arising from such sale based on the actual selling price of such Award Shares in cash as set out in the vesting notice.

If there is an event of change in control of the Company by way of a merger, a privatization of the Company by way of a scheme or by way of an offer, the Board or the committee of the Board or person(s) to which the Board has delegated its authority shall at their sole discretion determine whether the Vesting Dates of any Awards will be accelerated to an earlier date.

(L) CONSOLIDATION, SUBDIVISION, BONUS ISSUE AND OTHER DISTRIBUTION

In the event the Company undertakes a subdivision or consolidation of the Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the First Share Award Scheme for the selected participants. All fractional shares (if any) arising out of such consolidation or subdivision in respect of the Award Shares of a selected participant shall be deemed as returned shares and shall not be transferred to the relevant selected participant on the relevant Vesting Date. The Trustee shall hold returned shares to be applied towards future Awards in accordance with the provisions of the First Share Award Scheme rules for the purpose of the First Share Award Scheme.

In the event of an issue of Shares by the Company credited as fully paid to the holders of the Shares by way of capitalization of profits or reserves (including share premium account), the Shares attributable to any Award Shares held by the Trustee shall be deemed to be an accretion to such Award Shares and shall be held by the Trustee as if they were Award Shares purchased by the Trustee hereunder and all the provisions hereof in relation to the original Award Shares shall apply to such additional Shares.

In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Award Shares of each selected participant as the Board shall consider as fair and reasonable, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the First Share Award Scheme for the selected participants. The Company shall provide such funds, or such directions on application of the returned shares or returned trust funds, as may be required to enable the Trustee to purchase Shares on-market at the prevailing market price to satisfy the additional Award.

In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new Shares. In the event of a rights issue, the Trustee shall seek instructions from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it.

**(M) RETIREMENT, DEATH OR PERMANENT PHYSICAL OR MENTAL
DISABILITY OF AN ELIGIBLE PERSON**

If a selected participant ceases to be an Eligible Person by reason of retirement of the selected participant, any outstanding Award Shares and related income not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a selected participant ceases to be an Eligible Person by reason of (i) death of the selected participant, (ii) termination of the selected participant's employment or contractual engagement with the Group or an affiliate by reason of his/her permanent physical or mental disablement, (iii) termination of the selected participant's employment or contractual engagement with the Group by reason of redundancy, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a selected participant, being an employee whose employment is terminated by the Group or an affiliate by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the selected participant having been convicted of any criminal offense involving his or her integrity or honesty, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a selected participant is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

If a selected participant ceases to be an Eligible Person for reasons other than those stated this paragraph, any outstanding Award Shares and related income not yet vested shall be immediately forfeited, unless the Board or its delegate(s) determines otherwise at their absolute discretion.

(N) ALTERATION OF THE FIRST SHARE AWARD SCHEME

The First Share Award Scheme may be altered in any respect (save for the First Share Award Scheme Limit) by a resolution of the Board provided that no such alteration shall operate to affect adversely any subsisting rights of any selected participant unless otherwise provided for in the rules of the First Share Award Scheme, except:

- (i) with the consent in writing of selected participants amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date; or
- (ii) with the sanction of a special resolution that is passed at a meeting of the selected participants amounting to three-fourths in nominal value of all Award Shares held by the Trustee on that date.

(O) TERMINATION

The First Share Award Scheme shall terminate on the earlier of:

- (i) the end of the period of ten years commencing on the earlier of the passing of a shareholders' resolution approving the adoption of the First Share Award Scheme or the Listing Date except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the First Share Award Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the First Share Award Scheme; and
- (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the First Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the Award Shares already granted to a selected participant.

(P) ADMINISTRATION OF THE FIRST SHARE AWARD SCHEME

The Board has the power to administer the First Share Award Scheme in accordance with the rules of the First Share Award Scheme and, where applicable, the Trust deed, including the power to construe and interpret the rules of the First Share Award Scheme and the terms of the Awards granted under the First Share Award Scheme. The Board may delegate the authority to administer the First Share Award Scheme to a committee of the Board or other person(s) as deemed appropriate at the sole discretion of the Board. The Board or its delegate(s) may also appoint one or more independent third party contractors to assist in the administration of the First Share Award Scheme as they think fit.

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the extraordinary general meeting (the “**Extraordinary General Meeting**”) of Yixin Group Limited 易鑫集团有限公司 (the “**Company**”) will be held at Meeting Room – Yixin Rong, 2nd Floor, Yixin Building, 1 North, Zhongguancun Hongqiao Innovation Center, 365 Linhong Road, Changning District, Shanghai, China, on Thursday, May 6, 2021 at 9:30 a.m. to consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

1. “**THAT:**

- (a) the Existing Scheme Limit of the First Share Award Scheme be increased by 191,298,011 Shares to the New Scheme Limit of 285,250,982 Shares (the “**Increase in Scheme Limit**”), and accordingly,
 - (i) Paragraph 15.1 of the scheme rules of the First Share Award Scheme (the “**Scheme Rules**”) be and is hereby amended as follows:

the text of Paragraph 15.1 of the Scheme Rules, which reads:

*‘The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 10,118,631 Shares without Shareholders’ approval (the “**Scheme Limit**”).’*,

shall be deleted in its entirety and replaced with:

*‘The Company shall not make any further grant of Award which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme (excluding Award Shares that have been forfeited in accordance with the Scheme) to exceed 285,250,982 Shares without Shareholders’ approval (the “**Scheme Limit**”).’*;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) Paragraph 15.3 of the Scheme Rules, the text of which is set out below, be and is hereby deleted in its entirety:

‘Notwithstanding the Scheme Limit set out in Article 15.1 above, the Company may make further grants of Awards that will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme in addition to the Scheme Limit (the “Additional Shares”), provided that the number of Additional Shares shall be equivalent to the number of Shares in respect of which options have not been granted pursuant to the 2017 Share Incentive Plan adopted by the Company on 26 May 2017 (the “2017 Share Incentive Plan”). The date for determining the number of Additional Shares and the number of Shares that have not been awarded pursuant to the 2017 Share Incentive Plan shall be the day on which the Company’s Shares are listed on the Stock Exchange.’

- (b) subject to paragraph (a) of this resolution being passed, a mandate (the “**Scheme Mandate**”) be and is hereby granted to the directors of the Company to issue, allot, procure the transfer of and otherwise deal with 191,298,011 Shares that may be awarded pursuant to the First Share Award Scheme upon the Increase in Scheme Limit in excess of those Shares under the Existing Scheme Limit previously approved by the shareholders of the Company (the “**Shareholders**”);
- (c) any one director of the Company be and is hereby generally and unconditionally authorized to do all such further acts and things and to sign and execute all such other or further documents and to take all such steps as he/she may consider necessary, desirable, appropriate or expedient to implement and/or give effect to or otherwise in connection with the Increase in Scheme Limit and the incidental amendment of the Scheme Rules, the Scheme Mandate and the transactions respectively contemplated thereunder or in connection therewith; and
- (d) for the purposes of this resolution:

“Additional Shares” means 3,303,222 Shares, or 23,122,554 underlying Shares after taking into account the Capitalization Issue (being the equivalent to the aggregate number of Shares underlying the options that were not granted under the Pre-IPO Share Option Scheme prior to the Global Offering);

“Capitalization Issue” means the issue of 4,626,550,692 Shares on November 16, 2017, on which date the Shares were listed on the Stock Exchange, to be made upon the capitalization of part of the sum standing to the credit of the share premium account of the Company;

NOTICE OF EXTRAORDINARY GENERAL MEETING

“Existing Scheme Limit” means the maximum number of Shares underlying all awards that may be granted under the First Share Award Scheme without further Shareholders’ approval, being 10,118,631 Shares, or 70,830,417 Shares after taking into account the Capitalization Issue, subject to an increase of the Additional Shares (excluding Award Shares that have been forfeited in accordance with the Scheme Rules);

“First Share Award Scheme” means the share award scheme of the Company adopted on May 26, 2017 and amended on September 1, 2017;

“Global Offering” means the offer of Shares for subscription by the public in Hong Kong and the international placing of Shares as described in the prospectus of the Company dated November 6, 2017;

“New Scheme Limit” means 285,250,982 Shares;

“Pre-IPO Share Option Scheme” means the pre-IPO share option scheme adopted by the Company on May 26, 2017; and

“Shares” means ordinary shares in the share capital of the Company with a par value of US\$0.0001.”

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

Hong Kong, March 23, 2021

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of Hong Kong Exchanges and Clearing Limited and the Company in accordance with the Listing Rules.
2. Any shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint more than one proxy to attend and on a poll, vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. In light of the epidemic situation of Novel Coronavirus (COVID-19), shareholders of the Company may consider appointing the chairman of the Extraordinary General Meeting as his/her proxy to vote on the resolutions, instead of attending the Extraordinary General Meeting or any adjourned meeting in person.

On a show of hands, every shareholder of the Company who is present in person (or, in the case of a corporation, by its duly authorized representative) shall have one vote. In the case of a poll, every shareholder of the Company present in person or by proxy or, in the case of a shareholder of the Company being a corporation, by its duly authorized representative shall be entitled to one vote for each share held by him.

3. In order to be valid, the proxy form together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of that power of attorney or authority, must be deposited at the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the Extraordinary General Meeting or the adjourned meeting (as the case may be). Delivery of the proxy form shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the above meeting, the Register of Members of the Company will be closed from Monday, May 3, 2021 to Thursday, May 6, 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Extraordinary General Meeting, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Friday, April 30, 2021.
5. If a tropical cyclone warning signal no. 8 or above, or a black rainstorm warning is hoisted any time after 8:00 a.m. on the date of the Extraordinary General Meeting, the Extraordinary General Meeting will be postponed. Shareholders may visit the website of the Company at www.yixincars.com for details of the postponement and alternative meeting arrangement.
6. No provision of corporate gifts and refreshment at the Extraordinary General Meeting in order to prevent the spread of COVID-19 pandemic and to safeguard the health and safety of Shareholders.