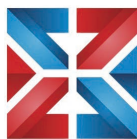


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Zhixin Group Holding Limited

智欣集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2187)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO CHANGE IN USE OF PROCEEDS

Reference is made to (i) the supplemental announcement of Zhixin Group Holding Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 26 November 2021 (the “**Announcement**”) in relation to interim report for the six months ended 30 June 2021 and change in use of proceeds; (ii) the annual report of the Company for the year ended 31 December 2021 (the “**2021 Annual Report**”); and (iii) the supplemental announcement of the Company dated 26 August 2022 in relation to annual report for the year ended 31 December 2021 and change in use of proceeds. Unless otherwise defined, capitalised terms used herein shall have the same meanings as defined in the 2021 Annual Report.

As disclosed in the Announcement, during the six months ended 30 June 2021, the Company has applied part of the Unutilised Net Proceeds of approximately RMB88.8 million (equivalent to HK\$104.5 million) for early repayment of borrowings. The purpose of this announcement is to provide further information in relation to the early repayment of borrowings.

In or about April 2021, a bank with existing banking relationship (the “**Bank**”) approached the Company, suggesting that if the Company early repays three entrusted loans for an aggregate principal amount of RMB68.8 million (the “**Three Entrusted Loans**”) provided by an independent third party, the Bank will re-evaluate the Company's post listing financial strength and approve unsecured loans for the Company's consideration and use.

To the best of the Directors' knowledge, (i) since the Company's operation and financial position were made public and subject to strict regulatory supervision after its listing, banks considered that the credibility of the Company was enhanced and default risk was reduced; (ii) interest accrued on the Three Entrusted Loans was paid to their provider and the Bank only earned a small portion as handling fees. As such, the Bank suggested the Company to early repay the Three Entrusted Loans so that the unsecured credit line of the Company could be expanded and they could earn interest accrued on loan drawn down by the Company.

In deciding to early repay loans as suggested by the Bank, the Company has principally considered the following factors, among others, (i) stronger financial strength of banks than the provider of the Three Entrusted Loans which is a private enterprise and the possibility that the Company may be required to repay the Three Entrusted Loans before maturity in the event their provider has its own financial needs or encounters financial difficulties; and (ii) after the listing of the Company, the banks will increase the amount of banking facilities granted to the Company. The total banking facilities of the Group was approximately RMB302,000,000 as at 31 December 2020, which was increased to approximately RMB319,500,000 as at 31 December 2021, and further increased to approximately RMB361,500,000 as at 30 June 2022. The Company believes that this is due to (i) the Company's enhanced creditworthiness after its listing; and (ii) the Company's adoption of the proposal by banks to make early repayment of loans (including the Three Entrusted Loans), which facilitated the banks to grant new banking facilities to the Company.

By order of the Board
Zhixin Group Holding Limited
Ye Zhijie
Chairman and Executive Director

Hong Kong, 28 September 2022

As at the date of this announcement, the Board comprises Mr. Ye Zhijie, Mr. Huang Wengui, Mr. Qiu Limiao, Mr. Ye Dan and Mr. Huang Kaining as executive Directors; and Ms. Wong Tuen Sau, Mr. Cai Huinong and Mr. Jiang Qinjian as independent non-executive Directors.