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**YIXIN GROUP LIMITED**

**易鑫集團有限公司**

*(incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as “Yixin Automotive Technology Group Limited”)*  
**(Stock Code: 2858)**

## **CONTINUING CONNECTED TRANSACTIONS**

The Board announces that on 8 December 2017, Xince Investment, a wholly-owned subsidiary of the Company, entered into the Structured Financing Framework Agreement with WeShare Technology for services to be provided to Xince Investment and the Group by WeShare Technology in relation to the Structured Financing Transactions on a non-exclusive basis. The term of the Structured Financing Framework Agreement is from 8 December 2017 to 31 December 2018.

WeShare Technology is an associate of Tencent Holdings, a substantial shareholder of the Company and is therefore an associate of a connected person of the Company. As such, the Structured Financing Framework Agreement and the Transactions constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. Given that the applicable percentage ratios calculated with reference to the Annual Caps for the Transactions are more than 0.1% but less than 5%, the Transactions are therefore subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **BACKGROUND INFORMATION**

On 8 December 2017, Xince Investment and WeShare Technology entered into the Structured Financing Framework Agreement, pursuant to which WeShare Technology, through itself and its affiliates, will provide services to Xince Investment and the Group in relation to certain Structured Financing Transactions on a non-exclusive basis, including (i) transaction design services, (ii) process management services, (iii) market information services, and (iv) consultation services and technical support. The term of the Structured Financing Framework Agreement is from 8 December 2017 to 31 December 2018.

# **STRUCTURED FINANCING FRAMEWORK AGREEMENT**

## **Date**

8 December 2017

## **Parties**

- (1) Xince Investment
- (2) WeShare Technology, an associate of Tencent Holdings

## **Transaction Nature**

The Group has historically obtained funding by originating Structured Financing Transactions. This source of funding has been undertaken in the ordinary and usual course of business. WeShare Technology and its subsidiaries provided services in the Group's previous Structured Financing Transactions, prior to its becoming an associate of Tencent.

WeShare Technology will provide services to Xince Investment and the Group in relation to certain Structured Financing Transactions, including but not limited to: (i) transaction design services, (ii) process management services, (iii) market information services, and (iv) consultation services and technical support.

The precise scope and nature of the services to be provided by WeShare Technology will be specified in Subsequent Agreements and will be determined based on the Structured Financing Transactions provided by the Group at the relevant time. Xince Investment and WeShare Technology will endeavour to procure their respective affiliates to comply with the terms of the Structured Financing Framework Agreement.

## **Term**

8 December 2017 to 31 December 2018

Three months prior to the expiration of the Structured Financing Framework Agreement, the parties may negotiate to renew the Structured Financing Framework Agreement.

## **BASIS OF PRICING**

The pricing of the Transactions will be determined by the relevant affiliates of Xinche Investment at the time of entry into the Subsequent Agreements based on the applicable market practices and value of the services provided. The service fees are typically associated with the total proceeds from the Structured Financing Transactions taking into account various factors including the following:

- (i) the fees charged by independent third parties for services similar in scope and nature to ensure that the fees and terms offered by WeShare Technology to the Group are fair and reasonable and comparable to those offered by independent third parties;
- (ii) the total amount of the Structured Financing Transactions;
- (iii) the resources and capabilities of WeShare Technology; and
- (iv) the costs and fees to various parties related to the Structured Financing Transactions.

The Group will only enter into Subsequent Agreements with WeShare Technology or its affiliates when the service fees are in line with or lower than the rates offered by other comparable service providers and the Subsequent Agreements are in the best interests of the Company and the Shareholders as a whole.

## **HISTORICAL AMOUNTS**

The Group did not historically incur any expenses under the Structured Financing Framework Agreement or related agreements.

## ANNUAL CAPS

The proposed Annual Caps are as follows:

For the year ending 31 December 2017

For the year ending 31 December 2018

RMB20 million<sup>(1)</sup>

RMB70 million

(approximately HK\$23.6 million)<sup>(2)</sup>

(approximately HK\$82.6 million)<sup>(2)</sup>

*Notes:*

- (1) The term of the Structured Financing Framework Agreement commences on 8 December 2017.
- (2) For the purposes of illustration only, the amount denominated in HK\$ was translated from RMB at the rate of HK\$1 = RMB0.84727 (being the RMB central parity rate announced by the People's Bank of China as at 7 December 2017). Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate.

The above Annual Caps have been determined with reference to:

- (i) the anticipated financing needs of the Group;
- (ii) the anticipated structured financing needs of the Group, taking into account the factors of other financing channels;
- (iii) the resources and capabilities of WeShare Technology; and
- (iv) the market price and quality for other third party providers for similar services and arrangements.

## REASONS AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

By entering into the Structured Financing Framework Agreement, the Group can utilise the resources, capabilities, support and expertise offered by WeShare Technology, thereby diversifying the Company's financing channels and strengthening the Company's financing capabilities.

As none of the Directors have a material interest in the continuing connected transactions contemplated under the Structured Financing Framework Agreement or the proposed Annual Caps, no Director was required to abstain from voting on the Board resolutions approving the continuing connected transactions or the Annual Caps. Mr. James Gordon Mitchell and Mr. Jimmy Chi Ming Lai hold senior management positions in Tencent Holdings.

## **INFORMATION ABOUT THE PARTIES**

The Group is principally engaged in the operation of an online automobile retail transaction platform in China. The Group operates its business in two segments (i) transaction platform business, and (ii) self-operated financing business.

WeShare Technology focuses on financial technology and its group has established branches in China and Hong Kong. WeShare Technology primarily concentrates on providing technical support, consulting and management services for financing projects involving financial assets. WeShare Technology also provides professional investment advisory services to institutional investors.

## **CONFIRMATION FROM THE DIRECTORS**

The terms of the Structured Financing Framework Agreement were agreed upon after arm's length negotiations between the Group and WeShare Technology. The Directors (including independent non-executive Directors) consider that the terms of the Structured Financing Framework Agreement and the Annual Caps are fair and reasonable, that the Structured Financing Framework Agreement was entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group, and the Transactions contemplated thereunder are in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Tencent Holdings is a substantial shareholder of the Company and is therefore a connected person of the Company. WeShare Technology is an associate of a connected person of the Company under Chapter 14A of the Listing Rules. As such, the Structured Financing Framework Agreement and the Transactions constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Given that the applicable percentage ratios calculated with reference to the Annual Caps for the Transactions are more than 0.1% but less than 5%, the Transactions are subject to the reporting, announcement and annual review requirements but are exempted from circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **DEFINITIONS**

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

“Annual Caps”	maximum aggregate annual value of the Transactions projected for years of 2017 and 2018 respectively
“associate(s)”	has the meaning ascribed to it by the Listing Rules
“Board”	the board of Directors
“China” or “PRC”	the People's Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan

“Company”	Yixin Group Limited (易鑫集团有限公司) (formerly known as Yixin Capital Limited), an exempted company with limited liability incorporated under the laws of the Cayman Islands on 19 November 2014, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it by the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“RMB”	Renminbi, the lawful currency of China
“Shareholder(s)”	holder(s) of shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structured Financing Transactions”	the structured financing transactions to be originated by the Group which involve issue of asset-backed securities or other products by way of securitization of the cash flows of the Group’s financial assets and supported by certain credit enhancements. For the purposes of this announcement, this includes, but is not limited to, asset-backed special plans issued in accordance with the rules of the China Securities Regulatory Commission, the asset-backed notes issued in accordance with the rules of the National Association of Financial Market Institutional Investors, and private placement structured financing transactions in accordance with PRC laws and regulations
“Structured Financing Framework Agreement”	the structured financing cooperation framework agreement entered into between Xinche Investment and WeShare Technology on 8 December 2017, for a term from 8 December 2017 to 31 December 2018
“Subsequent Agreement(s)”	the individual agreements to be entered into for the Transactions from time to time
“substantial shareholder”	has the meaning ascribed to it by the Listing Rules

“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“Tencent Holdings”	Tencent Holdings Limited, a company incorporated in the Cayman Islands, and listed on the Main Board of the Stock Exchange (stock code: 700) and substantial shareholder of the Company
“Transactions”	the transactions contemplated under the Structured Financing Framework Agreement
“WeShare Technology”	WeShare (Shenzhen) Limited* (新分享科技服務(深圳)有限公司), a company established under the laws of the PRC and an associate of Tencent Holdings, a connected person of the Company
“Xinche Investment”	Xinche Investment (Shanghai) Co., Ltd.* (鑫车投资(上海)有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of the Company
“%”	per cent

\* for identification purposes only

By Order of the Board  
**Yixin Group Limited**  
**Andy Xuan Zhang**  
*Chairman*

Hong Kong, 10 December 2017

*As at the date of this announcement, the Board comprises Mr. Andy Xuan Zhang as Chairman and executive Director and Mr. Dong Jiang as executive Director, Mr. James Gordon Mitchell, Mr. Jimmy Chi Ming Lai, Mr. Chenkai Ling and Mr. Xuyang Zhang as non-executive Directors, and Mr. Tin Fan Yuen, Mr. Chester Tun Ho Kwok and Ms. Lily Li Dong as independent non-executive Directors.*