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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)

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF STRUCTURED FINANCING FRAMEWORK AGREEMENT WITH WESHARE TECHNOLOGY

Reference is made to the announcement of the Company dated December 10, 2017 in relation to the Existing Structured Financing Framework Agreement entered into between Xincheng Investment, a wholly-owned subsidiary of the Company, and WeShare Technology, an associate of Tencent Holdings.

As the Existing Structured Financing Framework Agreement will expire on December 31, 2018, on December 4, 2018, Xincheng Investment and WeShare Technology entered into the New Structured Financing Framework Agreement, pursuant to which WeShare Technology, through itself and its affiliates, will provide services to Xincheng Investment and the Group in relation to certain Structured Financing Transactions on a non-exclusive basis for a term from January 1, 2019 to December 31, 2021. The key terms of the New Structured Financing Framework Agreement are substantially the same as those of the Existing Structured Financing Framework Agreement.

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 New 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.

Reference is made to the announcement of the Company dated December 10, 2017 in relation to the Existing Structured Financing Framework Agreement entered into between Xince Investment, a wholly-owned subsidiary of the Company, and WeShare Technology, an associate of Tencent Holdings.

As the Existing Structured Financing Framework Agreement will expire on December 31, 2018, on December 4, 2018, Xince Investment and WeShare Technology entered into the New 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 for a term from January 1, 2019 to December 31, 2021. The key terms of the New Structured Financing Framework Agreement are substantially the same as those of the Existing Structured Financing Framework Agreement.

THE NEW STRUCTURED FINANCING FRAMEWORK AGREEMENT

Date

December 4, 2018

Parties

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

Subject Matter

Pursuant to the New Structured Financing Framework Agreement, WeShare Technology (through itself and its affiliates) 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 originated 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 New Structured Financing Framework Agreement.

Duration

January 1, 2019 to December 31, 2021

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

Basis of Pricing

The pricing of the Transactions will be determined by the relevant affiliates of Xinch 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 Transaction Amounts

The aggregate amounts paid/payable by the Group to WeShare Technology for services to be provided to Xinch Investment and the Group by WeShare Technology in relation to the Structured Financing Transactions for the period from December 8, 2017 to December 31, 2017 and the ten months ended October 31, 2018 are as follows:

**From December 8, 2017
to December 31, 2017**

RMB438,205

**Ten Months Ended
October 31, 2018**

RMB11,775,926

For the principle terms of the Existing Structured Financing Framework Agreement, please refer to the announcement of the Company dated December 10, 2017.

ANNUAL CAPS

The proposed Annual Caps are as follows:

For the year ending December 31, 2019	For the year ending December 31, 2020	For the year ending December 31, 2021
RMB170,000,000	RMB180,000,000	RMB190,000,000

The above Annual Caps have been determined with reference to:

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

The significant increase in the Annual Caps in respect of the for services to be provided to Xinche Investment and the Group by WeShare Technology in relation to the Structured Financing Transactions, as compared to the historical transaction amounts under the Existing Structured Financing Framework Agreement, is due to the anticipated increase in the financing needs and structured financing needs of the Group, taking into account the Group's expected business development for the years 2019 to 2021.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

By entering into the New Structured Financing Framework Agreement, the Group can continue to 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.

Views of the Board

The terms of the New 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 New Structured Financing Framework Agreement and the Annual Caps are fair and reasonable, that the New 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.

Mr. James Gordon Mitchell and Mr. Jimmy Chi Ming Lai hold senior management positions in Tencent Holdings. As none of the Directors have a material interest in the continuing connected transactions contemplated under the New 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.

INFORMATION ABOUT THE PARTIES

Xinche Investment is the holding company of the PRC entities of the Group.

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.

INTERNAL CONTROL

Reference is made to the Prospectus in relation to the following internal control procedures adopted by the Group for the continuing connected transactions of the Company:

- (i) No members of the Group shall conduct any connected transactions, (i) which are either not on arm's length terms or (ii) which are on arm's length terms but are in excess of 5% of the Group's net assets or if aggregated with all other connected transactions in the same fiscal year will exceed 20% of annual budgeted revenue of the Group for the fiscal year, without the affirmative consent or approval by the majority of the Directors. For further details, see the section headed "HISTORY AND CORPORATE STRUCTURE — PRE-IPO INVESTMENTS" of the Prospectus.
- (ii) The Company has established internal control mechanisms to identify connected transactions. If the Group enters into connected transactions with the Controlling Shareholders or any of their associates, the Company will comply with the applicable Listing Rules. For further details, see the section headed "RELATIONSHIP WITH OUR CONTROLLING SHAREHOLDERS — CORPORATE GOVERNANCE MEASURES" of the Prospectus.

In respect of the New Structured Financing Framework Agreement and each of the Subsequent Agreement(s) for the Transactions, relevant terms shall be reviewed by the legal and compliance department and the financial management center of the Group on a case-by-case basis, with a view to ensure compliance with the Listing Rules. Such agreements cannot be entered into unless with prior approval of the legal and compliance department, the financial management center and senior management has been obtained.

The legal and compliance department and financial management center of the Group will summarize the transaction amounts incurred under the New Structured Financing Framework Agreement regularly on a monthly basis and report to the senior management of the Group. The senior management and the relevant departments of the Group can be informed of the status of the Transactions in a timely manner such that the transaction amounts can be conducted within the Annual Caps.

The Group will regularly examine the pricing of the Transactions and the Subsequent Agreement(s) to ensure that the continuing connected transactions under the New Structured Financing Framework Agreement are conducted in accordance with the pricing terms thereof, including reviewing the historical transaction records of the Group for the provision of similar services and arrangements by other third party providers.

LISTING RULES IMPLICATIONS

WeShare Technology is an associate of Tencent, a substantial shareholder of the Company and is therefore an associate of a connected person of the Company under Chapter 14A of the Listing Rules. As such, 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”	the maximum aggregate annual value of the Transactions projected for years of 2019, 2020 and 2021 respectively
“associate(s)”	has the meaning ascribed to it in the Listing Rules
“Bitauto”	Bitauto Holdings Limited, a company incorporated under the laws of the Cayman Islands on October 21, 2005 and currently listed on the New York Stock Exchange (NYSE: BITA), and one of the Controlling Shareholders

“Bitauto HK”	Bitauto Hong Kong Limited (易車香港有限公司), a company incorporated under the laws of Hong Kong on April 27, 2010, and one of the Controlling Shareholders
“Board”	the board of the 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 易鑫集團有限公司 , 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
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	has the meaning ascribed to it under the Listing Rules and unless the context otherwise requires, refers to Bitauto and Bitauto HK, and each of them shall be referred to as a Controlling Shareholder
“Director(s)”	the director(s) of the Company
“Existing Structured Financing Framework Agreement”	the structured financing cooperation framework agreement entered into between Xince Investment and WeShare Technology on December 8, 2017
“Group”	the Company, its subsidiaries and consolidated affiliated entities
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Structured Financing Framework Agreement”	the structured financing cooperation framework agreement entered into between Xince Investment and WeShare Technology on December 4, 2018, for a term from January 1, 2019 to December 31, 2021
“percentage ratios”	has the meaning ascribed to it in the Listing Rules
“Prospectus”	the prospectus of the Company dated November 6, 2017
“RMB”	Renminbi, the lawful currency of China

“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.0001 each
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Structure Financing Transactions”	the structure 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
“Subsequent Agreement(s)”	the individual agreements to be entered into for the Transactions from time to time
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under 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 a substantial shareholder of the Company
“Transactions”	the transactions contemplated under the New 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.* (鑫車投資 (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
易鑫集团有限公司
Andy Xuan Zhang
Chairman

Hong Kong, December 4, 2018

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.