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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 FINANCE LEASE AGREEMENTS AND SUBSEQUENT AGREEMENTS WITH NOAH

On March 25, 2019, Shanghai Yixin, as the Lessee, and an indirect wholly-owned subsidiary of the Company, and Noah, as the Lessor, entered into the March Finance Lease Agreement, pursuant to which (i) the Lessee agreed to sell certain Leased Assets to the Lessor and the Lessor agreed to lease back such Leased Assets to the Lessee for a period of time and (ii) the parties agreed to enter into subsequent agreements to further specify the rights and obligations of the parties. On June 11, 2019, the Lessee and the Lessor entered into the 2nd March Subsequent Agreement. Pursuant to the March Finance Lease Agreement and the 2nd March Subsequent Agreement, the Lessee agreed to sell the Leased Assets to the Lessor at a total consideration of RMB113,200,000 and the Lessor agreed to lease back the Leased Assets to the Lessee during the Lease Period. Subject to full payment of all the rents and other payables by the Lessee on the business day before the expiry of the Leased Period under the March Finance Lease Agreement and the 2nd March Subsequent Agreement, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee.

As disclosed in the announcements of the Company dated November 29, 2018 and December 10, 2018, Shanghai Yixin, as the Lessee, previously entered into the 2018 Finance Lease Agreement and Previous 9th to 12th Subsequent Agreements (together, the “**Previously Disclosed Agreements**”) with Noah, as the Lessor.

In addition, Shanghai Yixin, as the Lessee, and Noah, as the Lessor previously entered into the Previous 13th Subsequent Agreement and the 1st March Subsequent Agreement. In addition, the Group, through Tianjin Hengtong, as the lessee, and an indirect wholly-owned subsidiary of the Company, previously entered into the April Finance Lease Agreements and the May Finance Lease Agreements with Noah, as the Lessor. The Previous 13th Subsequent Agreement, the 1st March Subsequent Agreement, the April Finance Lease Agreements and the May Finance Lease Agreements together, the “**Previous Agreements**”.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of each of the Previous Agreements (on their own or in aggregate) exceeded 5%, the entering into of the Previous Agreements did not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the Previously Disclosed Agreements and the Previous Agreements were entered into with Noah within a 12-month period prior to and inclusive of the date of the 2nd March Subsequent Agreement, the 2nd March Subsequent Agreement, the Previously Disclosed Agreements and the Previous Agreements will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios are more than 5% but less than 25%, the transactions contemplated under the 2nd March Subsequent Agreement, the Previously Disclosed Agreements and the Previous Agreements (in aggregate) constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements only but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

On March 25, 2019, Shanghai Yixin, as the Lessee, and an indirect wholly-owned subsidiary of the Company, and Noah, as the Lessor, entered into the March Finance Lease Agreement, pursuant to which (i) the Lessee agreed to sell certain Leased Assets to the Lessor and the Lessor agreed to lease back such Leased Assets to the Lessee for a period of time and (ii) the parties agreed to enter into subsequent agreements to further specify the rights and obligations of the parties. On June 11, 2019, the Lessee and the Lessor entered into the 2nd March Subsequent Agreement. Pursuant to the March Finance Lease Agreement and the 2nd March Subsequent Agreement, the Lessee agreed to sell the Leased Assets to the Lessor at a total consideration of RMB113,200,000 and the Lessor agreed to lease back the Leased Assets to the Lessee during the Lease Period. Subject to full payment of all the rents and other payables by the Lessee on the business day before the expiry of the Leased Period under the March Finance Lease Agreement and the 2nd March Subsequent Agreement, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee.

As disclosed in the announcements of the Company dated November 29, 2018 and December 10, 2018, Shanghai Yixin, as the Lessee, previously entered into the 2018 Finance Lease Agreement and Previous 9th to 12th Subsequent Agreements (together, the “**Previously Disclosed Agreements**”) with Noah, as the Lessor.

In addition, Shanghai Yixin, as the Lessee, and Noah, as the Lessor previously entered into the Previous 13th Subsequent Agreement and the 1st March Subsequent Agreement. In addition, the Group, through Tianjin Hengtong, as the lessee, and an indirect wholly-owned subsidiary of the Company, previously entered into the April Finance Lease Agreements and the May Finance Lease Agreements with Noah, as the Lessor. The Previous 13th Subsequent Agreement, the 1st March Subsequent Agreement, the April Finance Lease Agreements and the May Finance Lease Agreements together, the “**Previous Agreements**”.

THE MARCH FINANCE LEASE AGREEMENT AND THE 2ND MARCH SUBSEQUENT AGREEMENT

Subject Matters

Sale of the Leased Assets to the Lessor

Pursuant to the March Finance Lease Agreement and the 2nd March Subsequent Agreement, the Lessee agreed to sell and the Lessor agreed to purchase the Leased Assets originally owned by the Lessee at a total consideration of RMB113,200,000, which was determined after arm's length negotiation between the parties with reference to the net asset value of the Leased Assets as at the last date of determining the composition of the Leased Assets, and shall be paid by the Lessor to the Lessee in the following manner:

1. The Lessor shall make payment of the consideration in the sum of RMB113,200,000 to the Lessee within five business days following the satisfaction of the conditions described below, including but not limited to:
 - (a) the March Finance Lease Agreement having been executed and effective and the Lessee having issued to the Lessor resolutions approving the transactions contemplated under the March Finance Lease Agreement;
 - (b) the Leased Assets complying with the criteria set out in the March Finance Lease Agreement;
 - (c) the Lessee having provided to the Lessor, and the Lessor having approved, relevant documents of the Leased Assets (including but not limited to confirmation showing the Lessee's ownership of the Leased Assets, vehicle registration documents, vehicle insurance policies and automobile rental agreements) and other documents that the Lessor considers necessary;
 - (d) the Lessor having received from the Lessee a confirmation regarding the receipt of the Leased Assets;
 - (e) the Lessor having determined on a reasonable basis that no significant adverse changes have occurred or will occur in relation to the Lessee's operations and financial conditions; and
 - (f) no default on the part of the Lessee having occurred.
2. As at the date of the payment of the consideration in the sum of RMB113,200,000 by the Lessor to the Lessee, the title of the Leased Assets will be transferred from the Lessee to the Lessor.

Leaseback of the Leased Assets to the Lessee

Pursuant to the March Finance Lease Agreement and the 2nd March Subsequent Agreement, the Leased Assets shall be leased back to the Lessee during the Lease Period at the total rent of approximately RMB117,870,000, which comprises (i) the amount of the lease principal of RMB113,200,000; (ii) the lease interest of approximately RMB3,821,000 at an annual interest rate of 6.64% which is determined with reference to the latest one-year benchmark lending rate as published by the People's Bank of China, and the leasing market conditions; and (iii) the rent shall be paid by the Lessee to the Lessor in a lump sum one business day before the expiry of the Lease Period, together with a handling fee of approximately RMB849,000.

Lease Period

The Lease Period shall be a period of 6 months which is expected to commence from June 12, 2019.

Leased Assets

The Leased Assets comprise automobiles of the Lessee. The Leased Assets did not generate revenue and net profits for the Group for the years ended December 31, 2017 and 2018. The net asset value of the Leased Assets as at the last date of determining the composition of the Leased Assets was approximately RMB153,077,000.

Ownership of the Leased Assets during and after the Lease Period

During the Lease Period, the ownership of the Leased Assets will vest in the Lessor and the Lessee will be entitled to use the Leased Assets.

Subject to full payment of all the rents and other payables by the Lessee on the business day before the expiry of the Lease Period under the 2nd March Subsequent Agreement, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee. The Lessor shall also issue a transfer of ownership certificate to the Lessee.

Pledge of Receivables

On March 28, 2019, the Lessor and the Lessee entered into the March Receivables Pledge Agreement, pursuant to which (i) the Lessee agreed to pledge its receivables in favour of the Lessor so as to guarantee its payment of debts under the March Finance Lease Agreement (including but not limited to rent, liquidated damages, damages, compensation and fees incurred in connection with any enforcement actions of creditors' rights) and (ii) the parties agreed to provide subsequent lists of pledged receivables to further specify the receivables to be pledged pursuant to subsequent agreements contemplated under the March Finance Lease Agreement. On June 11, 2019, the Lessee provided the 2nd March Receivables Pledge List to the Lessor so as to guarantee its payment of debts under the 2nd March Subsequent Agreement.

Effective Date of the 2nd March Subsequent Agreement

The 2nd March Subsequent Agreement shall take effect upon its execution by the parties thereto.

THE 13TH SUBSEQUENT AGREEMENT AND THE 1ST MARCH SUBSEQUENT AGREEMENT

The Group, through Shanghai Yixin, had previously entered into the following agreements with Noah: (i) the 13th Subsequent Agreement entered into pursuant to the 2018 Finance Lease Agreement; and (ii) the 1st March Subsequent Agreement entered into pursuant to the March Finance Lease Agreement.

The table below sets out the following information about each of the Previous 13th Subsequent Agreement and the 1st March Subsequent Agreement, including (i) date of such agreement; (ii) the amount of the lease principal; (iii) the approximate lease interest, annual interest rate, approximate handling fee and approximate total rent at which the Leased Assets were leased back to the Lessee; (iv) the approximate net asset value of the Leased Assets; and (v) the lease period.

Name of agreement	Date of agreement	Amount of lease principal (RMB'000)	Approximate lease interest and annual interest rate (RMB'000)	Approximate handling fee (RMB'000)	Approximate total rent (RMB'000)	Approximate net asset value of the Leased Assets (RMB'000)	Lease period (commencing on the date of payment of consideration by the Lessor)
13th Subsequent Agreement	December 26, 2018	107,223	3,599 at 6.64%	804	111,627	138,641	six months
1st March Subsequent Agreement	March 28, 2019	104,213	3,537 at 6.64%	781	108,531	131,989	six months

For the details about the 2018 Finance Lease Agreement and the Previous 9th to 12th Subsequent Agreements, please refer to the announcements of the Company dated November 29, 2018 and December 10, 2018.

Save for the key commercial terms set out above and except for the absence of an equivalent March Receivables Pledge Agreement, all material terms of the March Finance Lease Agreement are substantially the same as the 2018 Finance Lease Agreement.

Pledge of Receivables

On March 28, 2019, pursuant to the March Receivables Pledge Agreement, the Lessee provided the 1st March Receivables Pledge List to the Lessor so as to guarantee its payment of debts under the 1st March Subsequent Agreement.

THE APRIL FINANCE LEASE AGREEMENTS AND THE MAY FINANCE LEASE AGREEMENTS

The Group, through Tianjin Hengtong, had previously entered into the April Finance Lease Agreements and the May Finance Lease Agreements with Noah.

The table below sets out the information about the April Finance Lease and the May Finance Lease, including (i) date of such agreement; (ii) the amount of the lease principal; (iii) the approximate lease interest, annual interest rate, approximate handling fee and approximate total rent at which the leased assets were leased back to Tianjin Hengtong; (iv) the approximate net asset value of the leased assets; and (v) the lease period.

Date of agreement	Amount of lease principal (RMB'000)	Approximate lease interest and annual interest rate (RMB'000)	Approximate handling fee (RMB'000)	Approximate total rent (RMB'000)	Approximate net asset value of the leased assets (RMB'000)	Lease period (commencing on the date of payment of consideration by the Lessor)
April 18, 2019	100,000	3,660 at 7.3%	950	104,610	118,106	six months
May 8, 2019	180,000	6,624 at 7.3%	1,710	188,334	212,027	six months

Save for the key commercial terms set out above and except for the absence of Guarantee Agreements and Fee Agreements, all material terms of the April Finance Lease Agreements and the May Finance Lease Agreements are substantially similar to the March Finance Lease Agreement.

Guarantee

The Lessor and Xinche Investment, as the Guarantor entered into the Guarantee Agreements, pursuant to which the Guarantor shall provide an irrevocable guarantee to the Lessor for the Tianjin Hengtong's liabilities under the April Finance Lease and the May Finance Lease (including but not limited to rent, liquidated damages, damages, compensation, and all other debts owed by Tianjin Hengtong to the Lessor pursuant to the relevant finance lease agreement).

Pledge of Receivables

The Lessor and Tianjin Hengtong entered into the Receivables Pledge Agreements, of a similar nature and on similar term to the March Receivables Pledge Agreement, pursuant to which Tianjin Hengtong agreed to pledge its receivables in favour of the Lessor so as to guarantee its payment of debts under the April Finance Lease and the May Finance Lease (including but not limited to rent, liquidated damages, damages, compensation and fees incurred in connection with any enforcement actions of creditors' rights).

Fee Agreements

The Lessor and Tianjin Hengtong entered into the Fee Agreements, pursuant to which the Lessor and Tianjin Hengtong agreed on the calculation of the handling fees for the April Finance Lease and the May Finance Lease.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

By entering into the 2nd March Subsequent Agreement and the Previous Agreements, 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 the March Finance Lease Agreement, the March Receivables Pledge Agreement, 2nd March Subsequent Agreement, the 2nd March Receivables Pledge List and the Previous Agreements and the transactions contemplated thereunder are 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 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.

Shanghai Yixin and Tianjin Hengtong are companies incorporated in the PRC with limited liability and are indirect wholly-owned subsidiaries of the Company. Shanghai Yixin and Tianjin Hengtong are principally engaged in financing lease and operation of leasing 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.

Noah is a company incorporated in the PRC with limited liability and is principally engaged in financial leasing and related consultation, guarantee and commercial factoring businesses in the PRC. 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, Noah and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

LISTING RULES IMPLICATIONS

As none of the applicable percentage ratios in respect of each of the Previous Agreements (on their own or in aggregate) exceeded 5%, the entering into of the Previous Agreements did not constitute a discloseable transaction for the Company under Chapter 14 of the Listing Rules.

As the Previously Disclosed Agreements and the Previous Agreements were entered into with Noah within a 12-month period prior to and inclusive of the date of the 2nd March Subsequent Agreement, the 2nd March Subsequent Agreement, the Previously Disclosed Agreements and the Previous Agreements will be aggregated as a series of transactions for the Company pursuant to Rule 14.22 of the Listing Rules.

As the applicable percentage ratios are more than 5% but less than 25%, the transactions contemplated under the 2nd March Subsequent Agreement, the Previously Disclosed Agreements and the Previous Agreements (in aggregate) constitute a discloseable transaction of the Company and are subject to the reporting and announcement requirements only but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“1st March Receivables Pledge List”	the list of pledged receivables dated March 28, 2019 provided by the Lessee to the Lessor pursuant to the March Receivables Pledge Agreement
“1st March Subsequent Agreement”	the March Subsequent Agreement dated March 28, 2019 entered into between the Lessor and the Lessee
“2nd March Subsequent Agreement”	the March Subsequent Agreement dated June 11, 2019 entered into between the Lessee and the Lessor
“2nd March Receivables Pledge List”	the list of pledged receivables dated June 11, 2019 provided by the Lessee to the Lessor pursuant to the March Receivables Pledge Agreement
“2018 Finance Lease Agreement”	the finance lease agreement dated April 19, 2018 entered into between the Lessor and the Lessee
“April Fee Agreement”	the agreement dated April 18, 2019 entered into between the Lessor and Tianjin Hengtong
“April Finance Lease”	the finance lease agreement dated April 18, 2019 entered into between the Lessor and Tianjin Hengtong
“April Finance Lease Agreements”	collectively the April Finance Lease, the April Guarantee Agreement, the April Receivables Pledge Agreement and the April Fee Agreement
“April Guarantee Agreement”	the guarantee agreement dated April 18, 2019 entered into between the Lessor and Xinch Investment

“April Receivables Pledge Agreement”	the receivables pledge agreement dated April 18, 2019 entered into between the Lessor and Tianjin Hengtong
“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), 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 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
“Directors”	the directors of the Company
“Fee Agreements”	collectively, the April Fee Agreement and the May Fee Agreement, both of which have substantially the same terms
“Group”	the Company and its subsidiaries and the Consolidated Affiliated Entity
“Guarantee Agreements”	collectively, the April Guarantee Agreement and the May Guarantee Agreement, both of which have substantially the same terms
“Guarantor” or “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 an indirect wholly-owned subsidiary of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Leased Assets”	automobiles of the Lessee
“Lease Period”	a period of 6 months which is expected to commence from June 12, 2019
“Lessee” or “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

“Lessor” or “Noah”	Noah (Shanghai) Financial Leasing Co., Ltd. * (諾亞 (上海) 融資租賃有限公司), a company incorporated in the PRC with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange
“March Finance Lease Agreement”	the finance lease agreement dated March 25, 2019 entered into between the Lessor and the Lessee
“March Receivables Pledge Agreement”	the receivables pledge agreement dated March 28, 2019 entered into between the Lessor and the Lessee
“March Subsequent Agreement(s)”	the subsequent agreements to be entered into or that have been entered into in relation to the March Finance Lease Agreement between the Lessee and the Lessor
“May Fee Agreement”	the agreement dated May 8, 2019 entered into between the Lessor and Tianjin Hengtong
“May Finance Lease”	the finance lease agreement dated May 8, 2019 entered into between the Lessor and Tianjin Hengtong
“May Finance Lease Agreements”	collectively, the May Finance Lease, the May Guarantee Agreement, the May Receivables Pledge Agreement and the May Fee Agreement
“May Guarantee Agreement”	the guarantee agreement dated May 8, 2019 entered into between the Lessor and Xinche Investment
“May Receivables Pledge Agreement”	the receivables pledge agreement dated May 8, 2019 entered into between the Lessor and Tianjin Hengtong
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Previously Disclosed Agreements”	collectively, the 2018 Finance Lease Agreement and Previous 9th to 12th Subsequent Agreements
“Previous Agreements”	collectively, the Previous 13th Subsequent Agreement, the 1st March Subsequent Agreement, the April Finance Lease Agreements and the May Finance Lease Agreements

“Previous 9th to 12th Subsequent Agreements”	the previous ninth to twelve subsequent agreements entered into in relation to the 2018 Finance Lease Agreement between the Lessee and the Lessor
“Previous 13th Subsequent Agreement”	the previous thirteenth subsequent agreement entered into in relation to the 2018 Finance Lease Agreement between the Lessee and the Lessor
“Receivables Pledge Agreements”	collectively, the April Receivables Pledge Agreement and the May Receivables Pledge Agreement, both of which have substantially the same terms
“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
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“Tianjin Hengtong”	Tianjin Hengtong Jiahe Financing Lease Co., Ltd* (天津恒通嘉合融資租賃有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“%”	per cent

* *for identification purposes only*

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

Hong Kong, June 11, 2019

As at the date of this announcement, the Directors are:

Executive Directors	Mr. Andy Xuan Zhang and Mr. Dong Jiang
Non-executive Directors	Mr. James Gordon Mitchell, Mr. Jimmy Chi Ming Lai, Mr. Chenkai Ling and Mr. Huan Zhou
Independent non-executive Directors	Mr. Tin Fan Yuen, Mr. Chester Tun Ho Kwok and Ms. Lily Li Dong