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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)

CONTINUING CONNECTED TRANSACTIONS PLATFORM TECHNOLOGY SERVICES FRAMEWORK AGREEMENT WITH SUQIAN YUNHAN

INTRODUCTION

On March 30, 2020, Shanghai Yixin, an indirect wholly-owned subsidiary of the Company, and Suqian Yunhan entered into the Platform Technology Services Framework Agreement, pursuant to which Suqian Yunhan (or its affiliated companies) shall promote the Group’s online automobile financing business through a service promotion section on the *Jingdong Baitiao* (京東白條) platforms it operates and the Group shall pay Suqian Yunhan (or its affiliated companies) service fees in consideration for the services provided.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Suqian Yunhan is wholly-owned by JD Digital, of which Mr. Liu Qiangdong controls the composition of a majority of the board of directors. As of the date of this announcement, JD Financial Investment Limited holds 684,283,320 shares of the Company which represents approximately 10.74% of the entire issued share capital of the Company, and is a substantial shareholder of the Company; JD Financial Investment Limited is in turn indirectly wholly-owned by JD.com, Inc., of which Mr. Liu Qiangdong is the ultimate controlling shareholder. By virtue of the aforementioned relationship, Mr. Liu Qiangdong is considered a connected person of the Company, and Suqian Yunhan is an associate of a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

During the 12-month period preceding the date of the Platform Technology Services Framework Agreement, Shanghai Yixin and Suqian Yunhan entered into the December Platform Technology Services Agreement. The Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement have therefore been aggregated as a series of transactions pursuant to Rule 14A.81 of the Listing Rules.

As none of the applicable percentage ratios in respect of the December Platform Technology Services Agreement (calculated with reference to the largest Annual Cap under the agreement) exceeded 0.1%, the December Platform Technology Services Agreement, by itself, was a de minimis transaction and fully exempt from the reporting, annual review, announcement, circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios calculated with reference to the Annual Caps for the transactions contemplated under the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement (in aggregate) is more than 0.1% but less than 5%, such transactions are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

PLATFORM TECHNOLOGY SERVICES FRAMEWORK AGREEMENT

On March 30, 2020, Shanghai Yixin, an indirect wholly-owned subsidiary of the Company, and Suqian Yunhan entered into the Platform Technology Services Framework Agreement, the principal terms of which are set out below:

- Date:** March 30, 2020
- Parties:** (i) Shanghai Yixin; and
(ii) Suqian Yunhan
- Term:** The term of the Platform Technology Services Framework Agreement shall commence on the date of the agreement and end on December 31, 2022.
- Services provided:** Suqian Yunhan (or its affiliated companies) shall set up a service promotion section designated to the Group on the *Jingdong Baitiao* platforms it operates and thereby generate user traffic to the Group for promoting the Group's online automobile financing business.
- Service fees:** The Group shall pay Suqian Yunhan (or its affiliated companies) service fees in consideration for the services provided. The service fees shall be calculated based on a certain percentage (i.e. the service fee rate, which shall be within an agreed range with reference to the prevailing market rates) of the financing amounts of the successful transactions between the Group and the users generated from the Platform Technology Services Framework Agreement.

The parties (or through their affiliated companies) may enter into Subsequent Agreements to further specify their respective rights and obligations (including the specific fee rates) for the transactions contemplated under the Platform Technology Services Framework Agreement.

DECEMBER PLATFORM TECHNOLOGY SERVICES AGREEMENT

On December 10, 2019, Shanghai Yixin and Suqian Yunhan entered into the December Platform Technology Services Agreement, the principal terms of which are set out below:

- Date:** December 10, 2019
- Parties:** (i) Shanghai Yixin; and
(ii) Suqian Yunhan
- Term:** The term of the December Platform Technology Services Agreement commenced on December 10, 2019 and ended on February 29, 2020.
- Services provided:** Suqian Yunhan shall set up a service promotion section designated to Shanghai Yixin on the *Jingdong Baitiao* platform it operates and thereby generate user traffic to Shanghai Yixin for promoting its online automobile financing business.

Service fees: Shanghai Yixin shall pay Suqian Yunhan service fees in consideration for the services provided. The service fees shall be paid monthly via bank transfer and calculated based on an agreed percentage of the financing amounts released by Shanghai Yixin in the month pursuant to the successful transactions between Shanghai Yixin and the users generated from the December Platform Technology Services Agreement.

PRICING POLICY

The service fees payable by the Group under the Platform Technology Services Framework Agreement will be determined after arm's length negotiation between the parties with reference to the prevailing market rates for similar services offered by independent third party service providers or those not less favorable to the Group.

Before entering into any Subsequent Agreements, the procurement department of the Group would first assess the business needs of the Group and obtain at least two quotations for comparable user traffic lead services from independent third parties. It would then carry out an analysis of the options available taking into account a range of factors, such as the pricing, payment terms, expertise, capabilities and reputation of the service providers and the Group's past business experience with them (if any). The results of such analysis would be reported to the senior management of the Group. The senior management would then form a view as to which option is most favorable to the Group and would then report its findings to the Board for approval.

The Group will only enter into a Subsequent Agreement when (i) the service fees are no less favorable than the rates offered by other comparable independent third party service providers, and (ii) the terms of the transaction are fair and reasonable and in the interest of the Shareholders and the Company as a whole.

The above pricing policies were followed before and when the December Platform Technology Services Agreement was entered into.

ANNUAL CAPS

The Annual Caps under the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement are as follows:

	For the financial year ended December 31, 2019	2020	For the financial year ending December 31, 2021	2022
December Platform Technology Services Agreement	RMB0.50 million	RMB2.00 million	—	—
Platform Technology Services Framework Agreement	—	RMB52.92 million	RMB52.92 million	RMB80.00 million
In aggregate:	RMB0.50 million	RMB54.92 million	RMB52.92 million	RMB80.00 million

Basis of Annual Caps

The above Annual Caps have been determined with reference to:

- (i) expected number of user traffic leads to be provided by Suqian Yunhan (or its affiliated companies);
- (ii) the expected increase in the Group's demand for promotional services in the format of user traffic leads for the next three financial years as compared to the three financial years ended December 31, 2019; and
- (iii) the business needs of the Group for the next three financial years.

Historical Transaction Amounts

The transactions contemplated under the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement are similar to the provision of traffic leads under the Data Services Framework Agreement, details of which are set out in the section headed "Connected Transactions" in the Prospectus. The Data Services Framework Agreement has expired on December 31, 2019, and the Group has decided to discontinue the data services provided under the Data Services Framework Agreement due to business consideration.

The aggregate fees paid by the Group for the traffic leads provided pursuant to the Data Services Framework Agreement were RMB68,098, RMB442,169 and RMB0 for the years ended December 31, 2019, 2018 and 2017, respectively.

No transaction amount was incurred pursuant to the December Platform Technology Services Agreement in the year ended December 31, 2019.

REASONS FOR AND BENEFITS OF ENTERING INTO THE PLATFORM TECHNOLOGY SERVICES FRAMEWORK AGREEMENT

By entering into the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement with Suqian Yunhan, the Group can utilise the *Jingdong Baitiao* platforms, which are among the leading consumer lending online platforms in China, and further expand its customer base for its automobile financing business with the aim to increase its revenues and operation scale.

The terms of the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement were agreed upon after arm's length negotiations between the Group and Suqian Yunhan. The Directors (including the independent non-executive Directors) consider that the terms of the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable and are conducted in the ordinary and usual course of business of the Group, on normal commercial terms or better, and in the interest of the Company and the Shareholders as a whole.

None of the Directors has material interest in the transactions contemplated under the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement or is required to abstain from voting on the Board resolutions in relation to the said agreements and the transactions contemplated thereunder.

INFORMATION ABOUT THE PARTIES

Shanghai Yixin is a company established under the laws of the PRC, and an indirect wholly-owned subsidiary of the Company. It is principally engaged in financing lease and operation of leasing business in the PRC.

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.

Suqian Yunhan is a company established under the laws of the PRC and is wholly-owned by JD Digital, of which Mr. Liu Qiangdong, a connected person of the Company, controls the composition of a majority of the board of directors. It is principally engaged in development, consultation, providing services and promotion of information technology.

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:

- (a) No member 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.
- (b) 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.

The legal and compliance department and the financial management department of the Group will review the terms of the Platform Technology Services Framework Agreement and each of the Subsequent Agreements to be entered into for ensuring compliance with the Listing Rules, and none of such agreements will be entered into unless with prior approval of the legal and compliance department, the financial management department and senior management of the Group and the Board.

The legal and compliance department and financial management department of the Group will summarize the transaction amounts incurred under the Platform Technology Services 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 will be informed of the status of the transactions under the Platform Technology Services Framework Agreement in a timely manner such that the transaction amounts can be conducted within the Annual Caps. In addition, the independent non-executive Directors will conduct an annual review of the implementation of the continuing connected transactions. The Company will also engage its external auditors to conduct annual review of the continuing connected transactions in accordance with the requirements under the Listing Rules.

The Group will regularly examine the pricing of the transactions under the Platform Technology Services Framework Agreement to ensure that such transactions are conducted in accordance with the pricing terms thereof, including reviewing the historical transaction records of the Group for similar services and arrangements with other independent third party for similar services.

The above policies and procedures were followed before and when the December Platform Technology Services Agreement was entered into and throughout the term of the agreement.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Suqian Yunhan is wholly-owned by JD Digital, of which Mr. Liu Qiangdong controls the composition of a majority of the board of directors. As of the date of this announcement, JD Financial Investment Limited holds 684,283,320 shares of the Company which represents approximately 10.74% of the entire issued share capital of the Company, and is a substantial shareholder of the Company; JD Financial Investment Limited is in turn indirectly wholly-owned by JD.com, Inc., of which Mr. Liu Qiangdong is the ultimate controlling shareholder. By virtue of the aforementioned relationship, Mr. Liu Qiangdong is considered a connected person of the Company, and Suqian Yunhan is an associate of a connected person of the Company under Chapter 14A of the Listing Rules. As such, the transactions contemplated under the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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As one or more of the applicable percentage ratios calculated with reference to the Annual Caps for the transactions contemplated under the Platform Technology Services Framework Agreement and the December Platform Technology Services Agreement (in aggregate) is more than 0.1% but less than 5%, such transactions are subject to the reporting, annual review and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

“30%-controlled company”	has the meaning ascribed to it in the Listing Rules
“Annual Caps”	annual caps in the amount of (i) RMB52.92 million, (ii) RMB52.92 million, and (iii) RMB80.00 million in respect of the services to be provided by Suqian Yunhan (or its affiliated companies) to the Group under the Platform Technology Services Framework Agreement for the years ending December 31, 2020, 2021 and 2022, respectively and (iv) RMB0.50 million and (v) RMB2.00 million in respect of the services to be provided by Suqian Yunhan to Shanghai Yixin under the December Platform Technology Services Agreement for the years ended/ending December 31, 2019 and 2020, respectively
“associate(s)”	has the meaning ascribed to it in 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, 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 in 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
“Data Services Framework Agreement”	the data services framework agreement entered into between the Group and Beijing Zhengdong Jinkong Information Services Co., Ltd.* (北京正東金控信息服務有限公司) and its affiliates on July 25, 2017, which has expired on December 31, 2019
“December Platform Technology Services Agreement”	the platform technology services agreement entered into between Shanghai Yixin and Suqian Yunhan on December 10, 2019
“Directors”	the directors of the Company
“Group”	the Company, its subsidiaries and the Consolidated Affiliated Entity

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JD.com”	JD.com, Inc., a company incorporated in the Cayman Islands and currently listed on Nasdaq Global Select Market (NASDAQ: JD), which is a substantial shareholder of the Company
“JD Digital”	Jingdong Digital Technology Holding Co., Ltd.* (京東數字科技控股有限公司) (formerly named Beijing Jingdong Finance Technology Holding Co., Ltd.* (北京京東金融科技控股有限公司)), a company established under the laws of the PRC, the composition of a majority of the board of directors of which is controlled by Mr. Liu Qiangdong, a connected person of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Platform Technology Services Framework Agreement”	the platform technology services framework agreement entered into between Shanghai Yixin and Suqian Yunhan on March 30, 2020
“Prospectus”	the prospectus of the Company dated November 6, 2017
“RMB”	Renminbi, the lawful currency of China
“Shanghai Yixin”	Shanghai Yixin Financing Lease Co., Ltd.* (上海易鑫融資租賃有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of shares in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Agreement(s)”	the subsequent cooperation agreements to be entered into between the parties (or their respective affiliates) to the Platform Technology Services Framework Agreement as anticipated therein

“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Suqian Yunhan”	Suqian Yunhan Information Technology Co., Ltd.* (宿遷雲瀚信息科技有限公司), a company established under the laws of the PRC and a wholly-owned subsidiary of JD Digital
“%”	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, March 30, 2020

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