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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 AUTOMOBILE FINANCING COOPERATION FRAMEWORK AGREEMENT WITH WEBANK**

The Board announces that on August 7, 2018, Xincheng Investment, an indirect wholly-owned subsidiary of the Company, entered into the Automobile Financing Cooperation Framework Agreement with WeBank pursuant to which Xincheng Investment and WeBank agreed to cooperate to deliver certain automobile financing services to their customers. WeBank will pay Xincheng Investment service fees in consideration for the Cooperation. The term of the Automobile Financing Cooperation Framework Agreement is commencing from August 7, 2018 and will expire on December 31, 2019. The parties agreed to negotiate to renew the Automobile Financing Cooperation Framework Agreement three months before its expiration.

WeBank 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 automobile financing cooperation services to be provided pursuant to the Automobile Financing Cooperation Framework Agreement 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, annual review and announcement requirements but are exempt from the circular and independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

# **AUTOMOBILE FINANCING COOPERATION FRAMEWORK AGREEMENT**

On August 7, 2018, Xince Investment, an indirect wholly-owned subsidiary of the Company, and WeBank entered into the Automobile Financing Cooperation Framework Agreement, pursuant to which Xince Investment and WeBank agreed to cooperate to deliver certain automobile financing services to their customers. WeBank will pay Xince Investment service fees in consideration for the cooperation. The term of the Automobile Financing Cooperation Framework Agreement is commencing from August 7, 2018 and will expire on December 31, 2019. The parties agreed to negotiate to renew the Automobile Financing Cooperation Framework Agreement three months before its expiration.

## **Date**

August 7, 2018

## **Parties**

- (1) Xince Investment
- (2) WeBank

## **Subject Matter**

Through the platforms operated or controlled by Xince Investment, Xince Investment will assist WeBank in customer sourcing, products and services promotion, applicants' information collection and assessment, automobiles evaluation, title and pledge registration, and post-loan auto asset management.

WeBank will review and assess loan applicants' loan applications, extend loans to qualifying loan applicants, and conduct post-loan management.

The parties will enter into Subsequent Agreements to further specify the rights and obligations of the parties.

## **Pricing Basis**

The services fees to be payable by WeBank to the Group shall be calculated by multiplying the interest income WeBank generates from auto loan transactions facilitated by the Group and a pre-determined rate, which is derived from the quotient of (a) the difference between the annualized interest rate that WeBank charges for the auto loan transactions facilitated by the Group (the "**Annualized Interest Rate**") and the annualized rate of return WeBank requires and (b) the Annualized Interest Rate.

The annualized rate of return WeBank requires and the Annualized Interest Rate may be agreed from time to time between the parties with reference to prevailing market conditions and rates.

## HISTORICAL TRANSACTION AMOUNTS

As of the date of this announcement, no transactions had been conducted between the Group and WeBank, its subsidiaries and associates in respect of the Cooperation. Therefore, there are no historical transaction amounts to be provided.

## ANNUAL CAPS

The proposed Annual Caps are as follows:

For the period from August 7, 2018 to December 31, 2018	For the year ending December 31, 2019
RMB190 million (approximately HK\$217.6 million)	RMB190 million (approximately HK\$217.6 million)

The above Annual Caps have been determined with reference to:

- (i) the anticipated demands for the automobile loan facilitation services provided by the Group;
- (ii) the resources and capabilities of WeBank; and
- (iii) the market price and quality for other third party providers for similar services and arrangements.

## REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

By entering into the Automobile Financing Cooperation Framework Agreement with WeBank, the Group can expand automobile finance cooperation partners and channels, serve more auto finance customers, and increase loan facilitation services revenues.

As none of the Directors have a material interest in the continuing connected transactions contemplated under the Automobile Financing Cooperation 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.

The terms of the Automobile Financing Cooperation Framework Agreement were agreed upon after arm's length negotiations between the Company and WeBank. The Directors (including independent non-executive Directors) consider that the terms of the Automobile Financing Cooperation Framework Agreement and the Annual Caps are fair and reasonable, that the Automobile Financing Cooperation 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.

## **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 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.
- (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 Automobile Financing Cooperation Framework Agreement and each of the Subsequent Agreement(s) for the Cooperation, relevant terms shall be reviewed by the legal and compliance department and the financial management department of the Group on a case-by-case basis, with a view to their compliance with the Listing Rules and cannot be entered into unless with prior approval of the legal and compliance department, the financial management department and senior management has been obtained.

The legal and compliance department and financial management department of the Group will summarize the transaction amounts incurred under the Automobile Financing Cooperation Framework Agreement regularly on a monthly basis and report to the senior management of the Group. The senior management and the competent 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 Automobile Financing Cooperation 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.

## **INFORMATION ABOUT THE PARTIES**

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

WeBank is a company established under the laws of the PRC, and an associate of Tencent, a connected person of the Company. It is principally engaged in online banking business.

## LISTING RULES IMPLICATIONS

WeBank 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, annual review and announcement requirements but are exempt 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:

“Automobile Financing Cooperation Framework Agreement”	the automobile financing cooperation framework agreement entered into between Xincheng Investment and WeBank on August 7, 2018, for a term commencing from August 7, 2018 and will expire on December 31, 2019
“Annual Caps”	the maximum aggregate annual value of the Transactions projected for the period from August 7, 2018 to December 31, 2018 and for the year ending December 31, 2019
“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 our Controlling Shareholders
“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 in the Listing Rules

“Consolidated Affiliated Entity”	the entity the Company controls through the series of contractual arrangements entered into by, among others Beijing KKC Technology Co., Ltd.* (北京看看車科技有限公司), Beijing Yixin and its shareholders
“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
“Cooperation”	the cooperation between Xinchu Investment and Webank in delivering certain automobile financing services to their customers
“Directors”	the directors of the Company
“Group”	the Company, its subsidiaries and Consolidated Affiliated Entities
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Prospectus”	the prospectus of the Company dated November 6, 2017
“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
“Subsequent Agreement(s)”	the subsequent agreements to be entered into in relation to the Automobile Financing Cooperation Framework Agreement between the affiliates of the parties to the Automobile Financing Cooperation Framework Agreement as anticipated therein
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules

“Tencent”	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 Automobile Financing Cooperation Framework Agreement
“WeBank”	WeBank Co., Ltd* (深圳前海微眾銀行股份有限公司), a company established under the laws of the PRC and an associate of Tencent, 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 an indirect wholly-owned subsidiary of the Company
“%”	per cent

*This announcement contains the translations between Renminbi and Hong Kong dollar amounts at RMB1 = HK1.1455, being the exchange rate prevailing on August 6, 2018. The translations should not be taken as a representation that the Renminbi could actually be converted into Hong Kong dollars at that rate or at all.*

\* 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, August 7, 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.*