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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)

**DISCLOSEABLE TRANSACTIONS IN
RELATION TO A FINANCE LEASE AGREEMENT
AND
SUBSEQUENT AGREEMENTS WITH NOAH**

On April 19, 2018, the Lessee, Shanghai Yixin, a wholly-owned subsidiary of the Company, and the Lessor, Noah, entered into the 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 November 29, 2018, the Lessee and the Lessor entered into the 12th Subsequent Agreement. Pursuant to the Transaction Documents, the Lessee agreed to sell the Leased Assets to the Lessor at a total consideration of RMB120,508,000 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 Transaction Documents, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee.

During the 12-month period preceding the date of the 12th Subsequent Agreement, the Lessee and the Lessor have entered into other Subsequent Agreements. Such previous Subsequent Agreements, together with the Transaction Documents, have been aggregated as a series of transactions 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 Transaction Documents constitute discloseable transactions 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 April 19, 2018, the Lessee, Shanghai Yixin, a wholly-owned subsidiary of the Company, and the Lessor, Noah, entered into the 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 November 29, 2018, the Lessee and the Lessor entered into the 12th Subsequent Agreement. Pursuant to the Transaction Documents, the Lessee agreed to sell the Leased Assets to the Lessor at a total consideration of RMB120,508,000 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 Lease Period under the Transaction Documents, the Lessor shall transfer the ownership of the Leased Assets back to the Lessee.

THE TRANSACTION DOCUMENTS

Date

April 19, 2018 in relation to the Finance Lease Agreement

November 29, 2018 in relation to the 12th Subsequent Agreement

Parties

- (1) Shanghai Yixin Financing Lease Co., Ltd.* (上海易鑫融資租賃有限公司), being the Lessee
- (2) Noah (Shanghai) Financial Leasing Co., Ltd.* (諾亞(上海)融資租賃有限公司), being the Lessor

Subject Matters

Sale of the Leased Assets to the Lessor

Pursuant to the Transaction Documents, the Lessee agreed to sell and the Lessor agreed to purchase the Leased Assets originally owned by the Lessee at a total consideration of RMB120,508,000, 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 manners:

1. Within five business days following satisfaction of the conditions described below, the Lessor shall make payment of the consideration in the sum of RMB120,508,000 to the Lessee:
 - (a) the Finance Lease Agreement having been executed and effective and the Lessee having issued to the Lessor resolutions approving the transactions contemplated under the Finance Lease Agreement;

- (b) the Leased Assets complying with the criteria set out in the 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 RMB120,508,000 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 Transaction Documents, the Leased Assets shall be leased back to the Lessee during the Lease Period at the total rent of approximately RMB125,435,000, which comprises (i) the amount of the lease principal of RMB120,508,000; (ii) the lease interest of approximately RMB4,023,000 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 RMB904,000.

Lease Period

The Lease Period shall be a period of 6 months which is expected to commence from November 30, 2018.

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, 2016 and 2017. The net asset value of the Leased Assets as at the last date of determining the composition of the Leased Assets was approximately RMB159,000,000.

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 Transaction Documents, 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.

Effective Date of the Transaction Documents

Each of the Transaction Documents shall take effect upon its execution by the parties thereto.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

By entering into the Transaction Documents, 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 Transaction Documents 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.

The Lessee is a company incorporated in the PRC with limited liability and is a wholly-owned subsidiary of the Company. The Lessee is principally engaged in financing lease and operation of leasing business in the PRC.

The Lessor 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, the Lessor and its ultimate beneficial owners are third parties independent of and not connected with the Company and its connected persons.

LISTING RULES IMPLICATIONS

During the 12-month period preceding the date of the 12th Subsequent Agreement, the Lessee and the Lessor have entered into other Subsequent Agreements. Such previous Subsequent Agreements, together with the Transaction Documents, have been aggregated as a series of transactions 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 Transaction Documents constitute discloseable transactions 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:

“12th Subsequent Agreement”	the Subsequent Agreement dated November 29, 2018 entered into between the Lessee and the Lessor
“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
“Directors”	the directors of the Company
“Finance Lease Agreement”	the finance lease agreement dated April 19, 2018 entered into between the Lessor and the Lessee
“Group”	the Company and its subsidiaries
“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 November 30, 2018
“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 a 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

“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
“Subsequent Agreements”	the subsequent agreements to be entered into or that have been entered into in relation to the Finance Lease Agreement between the Lessee and the Lessor
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“Transaction Documents”	the Finance Lease Agreement and the 12th Subsequent Agreement
“%”	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, November 29, 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.