

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 PAYMENT SERVICES FRAMEWORK AGREEMENT WITH TENPAY

Reference is made to the Prospectus in relation to the Existing Payment Channel Services provided by certain associates of Tencent to members of the Group since July 2017. Pursuant to Rule 14A.76(1) of the Listing Rules, the Existing Payment Channel Services constituted a *de minimis* transaction and as such, were exempt from all disclosure, annual review and shareholders’ approval requirements under Chapter 14A of the Listing Rules.

In view of the increasing use of Weixin Pay (微信支付) by customers of the Group and hence increasing business transactions with Tenpay, on September 12, 2019, the Company entered into the Payment Services Framework Agreement with Tenpay to set (i) the Annual Caps and (ii) a term from September 12, 2019 to December 31, 2021 for the payment related services provided by Tenpay to the Group.

Tenpay is a subsidiary of Tencent which is 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 contemplated under the Payment Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Given one or more of the applicable percentage ratios calculated with reference to the Annual Caps for the transactions under the Payment Services Framework Agreement are more than 0.1% but less than 5%, the transactions contemplated thereunder 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.

Reference is made to the Prospectus in relation to the Existing Payment Channel Services provided by certain associates of Tencent to members of the Group since July 2017. Pursuant to Rule 14A.76(1) of the Listing Rules, the Existing Payment Channel Services constituted a *de minimis* transaction and as such, were exempt from all disclosure, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules.

In view of the increasing use of Weixin Pay (微信支付) by customers of the Group and hence increasing business transactions with Tenpay, on September 12, 2019, the Company entered into the Payment Services Framework Agreement with Tenpay to set (i) the Annual Caps and (ii) a term from September 12, 2019 to December 31, 2021 for the payment related services provided by Tenpay to the Group.

The parties to the Payment Services Framework Agreement may enter into Subsequent Agreements to further specify the rights and obligations of the parties for the transactions contemplated under the Payment Services Framework Agreement.

Payment Services Framework Agreement

Date: September 12, 2019

Parties: (1) Shanghai Yixin
(2) Tenpay

Term: From September 12, 2019 to December 31, 2021

Services Provided: Tenpay provides certain payment related services to the Group including but not limited to payment channel services for customers of the Group, such as Weixin Pay (微信支付). In exchange, the Group pays a handling fee to Tenpay.

Pursuant to Rule 14A.76(1) of the Listing Rules, the Existing Payment Channel Services constituted a *de minimis* transaction and as such, were exempt from all disclosure, annual review and shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Annual Caps for the handling fees to be paid by the Group for the services under the Payment Services Framework Agreement are as follows:

**Year ending
December 31, 2019**

RMB20 million

**Year ending
December 31, 2020**

RMB30 million

**Year ending
December 31, 2021**

RMB40 million

Basis of the Annual Caps

The Annual Caps have been determined principally with reference to:

- (i) the historical transaction amounts for Existing Payment Channel Services in the year ended December 31, 2018 and the seven months ended July 31, 2019 and the anticipated demand for similar services in the three years ending December 31, 2021;
- (ii) the anticipated increasing number of our customers using Weixin Pay (微信支付) to pay us;
- (iii) the anticipated growth of our businesses; and
- (iv) the anticipated increasing penetration of Weixin Pay (微信支付) among Chinese internet users.

Historical transaction amounts

The aggregate handling fees paid by the Group for the Existing Payment Channel Services in respect of the financial year ended December 31, 2018 and the seven months ended July 31, 2019 were RMB832,979 and RMB3,682,265, respectively.

Pricing policy and fee calculation

The handling fee payable by the Group was determined after arm's length negotiation between the parties and with reference to the market rates for payment services of a similar nature with regard to the number of customers and amounts paid. The handling fee is calculated as a percentage of the amount paid by customers using the specific payment services, and will be settled by either deducting credits brought forward or making real-time deduction from the payments made by customers of the Group.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

Weixin Pay (微信支付) is gaining popularity among Chinese internet users in recent years and has become a leading mobile payment platform in China. In view of the increasing usage of Weixin Pay (微信支付) by our customers, especially in light of the significant increase in the transaction amounts in the first seven months in 2019, the Board is of the view that there is a strong business need to enter into the first Payment Services Framework Agreement to continue the long-term cooperation with Tencent. By entering into the Payment Services Framework Agreement, the Group can continue benefit from the specific payment services provided by Tencent, set the Annual Caps which better reflect the current expectation and trend for the increased popularity of such payment channel services, and for better governing of the conduct of the continuing connected transaction.

The terms of the Payment Services Framework Agreement were agreed upon after arm's length negotiations between the parties thereto. The Directors (including the independent non-executive Directors) consider that the terms of the Payment Services Framework Agreement and the transactions contemplated thereunder (including the Annual Caps) are fair and reasonable, are conducted on normal commercial terms or better and in the ordinary and usual course of business of the Group and in the best interest 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. As none of the Directors has a material interest in the transactions contemplated under the Payment Services Framework Agreement or the Annual Caps, no Director abstained from voting on such Board resolutions.

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.

The legal and compliance department and the financial management center of the Group will review the terms of the Payment Services Framework Agreement and 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 center and senior management of the Group.

The legal and compliance department and financial management center of the Group will summarize the transaction amounts incurred under the Payment 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 such transactions 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 Payment Services Framework Agreement and the Subsequent Agreements 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.

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 finance leasing and operating lease businesses.

Tenpay is a company established under the laws of the PRC, and a subsidiary of Tencent which is a connected person of the Company. It is principally engaged in e-commerce, electronic payment and the technological development of payment settlement and clearance system.

LISTING RULES IMPLICATIONS

Tenpay is a subsidiary of Tencent which is 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 contemplated under the Payment Services Framework Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules. Given one or more of the applicable percentage ratios calculated with reference to the Annual Caps for the transactions under the Payment Services Framework Agreement are more than 0.1% but less than 5%, the transactions contemplated thereunder 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:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Annual Caps”	the maximum aggregate annual value projected for the years ending December 31, 2019, December 31, 2020 and December 31, 2021 in respect of the transactions contemplated under the Payment Services Framework Agreement
“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 of the Company
“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 of the Company
“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
“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
“Directors”	the directors of the Company
“Existing Payment Channel Services”	the payment related services provided by certain associates of Tencent to members of the Group since July 2017
“Group”	the Company, its subsidiaries and the Consolidated Affiliated Entity

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 Growth Enterprise Market of the Stock Exchange
“Payment Services Framework Agreement”	the payment services framework agreement dated September 12, 2019 entered into between Shanghai Yixin and Tenpay
“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
“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 with limited liability and an indirect wholly-owned subsidiary of the Company
“Shares”	ordinary share(s) in the share capital of the Company with a par value of US\$0.0001
“Shareholder(s)”	holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsequent Agreement(s)”	the individual agreements to be entered into between the parties (or their respective affiliates) for the transactions contemplated under the Payment Services Framework Agreement
“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

“Tenpay”	Tenpay Payment Technology Co., Ltd.* (財付通支付科技有限公 司), a company established under the laws of the PRC with limited liability and a subsidiary of Tencent, a connected person of the Company
“United States”	the Unites States of America, its territories, its possessions and all areas subject to its jurisdiction
“US\$”	United States dollars, the lawful currency of the United States
“%”	per cent

* *The English translation of company names in Chinese is for identification purposes only. If there is any inconsistency between the Chinese names of entities or enterprises established in China and their English translations, the Chinese names shall prevail.*

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

Hong Kong, September 12, 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