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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 LEASED ASSETS TRANSACTION AGREEMENTS WITH CIB LEASING CO., LTD.

On October 17, 2019, Shanghai Yixin, an indirect wholly-owned subsidiary of the Company, as the Transferor, and CIB Leasing Co., Ltd., as the Transferee, entered into the October Leased Assets Transaction Agreements, comprising: (i) the October Leased Asset Transfer Agreement, pursuant to which the Transferor agreed to transfer certain Relevant Leased Assets to the Transferee for a total consideration of RMB420,000,000; (ii) the October Asset Management Service Agreement, pursuant to which the Transferor will provide Asset Management Services to the Transferee in return for a service fee; and (iii) the October Guarantee, pursuant to which, among other things, the Transferor shall guarantee its performance (including any payment obligations) under the October Leased Asset Transfer Agreement and the October Asset Management Service Agreement. Subject to the Transferor having made all payments due to the Transferee pursuant to the October Asset Management Service Agreement, the ownership of such Relevant Leased Assets will be returned to the Transferor.

During the 12-month period preceding the date of the October Leased Assets Transaction Agreements, the Transferor and the Transferee entered into the August Leased Assets Transaction Agreements and the September Leased Assets Transaction Agreements. The August Leased Assets Transaction Agreements, the September Leased Assets Transaction Agreements and the October Leased Assets Transaction Agreements have therefore been aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios is more than 5% but less than 25%, the transactions contemplated under the said 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 October 17, 2019, Shanghai Yixin, an indirect wholly-owned subsidiary of the Company, as the Transferor, and CIB Leasing Co., Ltd., as the Transferee, entered into the October Leased Assets Transaction Agreements, comprising: (i) the October Leased Asset Transfer Agreement, pursuant to which the Transferor agreed to transfer certain Relevant Leased Assets to the Transferee for a total consideration of RMB420,000,000; (ii) the October Asset Management Service Agreement, pursuant to which the Transferor will provide Asset Management Services to the Transferee in return for a service fee; and (iii) the October Guarantee, pursuant to which, among other things, the Transferor shall guarantee its performance (including any payment obligations) under the October Leased Asset Transfer Agreement and the October Asset Management Service Agreement. Subject to the Transferor having made all payments due to the Transferee pursuant to the October Asset Management Service Agreement, the ownership of such Relevant Leased Assets will be returned to the Transferor.

THE OCTOBER LEASED ASSETS TRANSACTION AGREEMENTS

Date

The October Leased Asset Transfer Agreement, the October Asset Management Service Agreement and the October Guarantee were executed on October 17, 2019 and took effect upon execution.

Parties

- (1) Shanghai Yixin Financing Lease Co., Ltd.* (上海易鑫融資租賃有限公司), being the Transferor; and
- (2) Industrial Bank Financial Leasing Co., Ltd. (興業金融租賃有限責任公司), being the Transferee.

Transfer of certain Relevant Leased Assets by the Transferor to the Transferee

Pursuant to the October Leased Asset Transfer Agreement, the Transferor agreed to transfer certain Relevant Leased Assets to the Transferee for a total consideration of RMB420,000,000, which was determined after arm's length negotiation between the parties with reference to the present value of the Relevant Leased Assets as at the last date of determining the composition of the Relevant Leased Assets.

The total consideration shall be paid in full by the Transferee to the Transferor via bank transfer within fifteen business days following satisfaction (or waiver by the Transferee in writing) of all of the following conditions:

- (a) the Transferor having obtained all necessary authorization, approvals or consents from relevant governmental authorities or third parties for the entering into and the performance of the October Leased Asset Transfer Agreement (if any is required), and such authorization, approvals or consents remaining in full force;

- (b) the October Leased Asset Transfer Agreement and the October Asset Management Service Agreement having been executed and effective;
- (c) the Transferee having received effective resolutions of the competent body of the Transferor approving the asset transfer transactions contemplated under the October Leased Asset Transfer Agreement;
- (d) the Transferor having provided the Transferee with a schedule of the Relevant Leased Assets (signed and stamped by both the Transferor and the Transferee) transferred and any other documents required by the Transferee;
- (e) as of the date on which the Transferee shall pay the consideration to the Transferor, there having been no change in or enactment of laws, or changes in macroeconomic regulatory policies or regulatory requirements of any supervisory bodies or any other reasons that would make the Transferee unable to pay the consideration to the Transferor or otherwise render the performance of the October Leased Asset Transfer Agreement impossible;
- (f) the Transferor being owner of the Relevant Leased Assets with clear ownership and having the right to transfer the Relevant Leased Assets, that is, the Relevant Leased Assets is not mortgaged (except where the mortgagee is the Transferor), pledged or transferred to a third party or subject to any freezing order, seizing order, encumbrances or any other enforcement action;
- (g) there being no existing or potential investigation or claim by any governmental department that may limit or otherwise cause material adverse impact on the transactions contemplated under the October Leased Asset Transfer Agreement;
- (h) the Transferor having paid the purchase price (and any related fees) for the Relevant Leased Assets to the lessees under the Underlying Finance Leases;
- (i) all representations and undertakings made by the Transferor in the October Leased Asset Transfer Agreement being true, accurate, not misleading and without material omission or any false statement in violation of the principle of good faith;
- (j) the Transferor having provided the Transferee with proof of ownership for those Relevant Leased Assets as identified by the Transferee, and the Transferee having approved such proof of ownership;
- (k) the Transferor having completed registration of the transfer of ownership of the Relevant Leased Assets to the Transferee (if required);
- (l) the Transferor not being in breach of the October Leased Asset Transfer Agreement or any other agreement with the Transferee;
- (m) there being no material adverse event on the part of the Transferor and the lessees under the Underlying Finance Leases that may impede or jeopardize the performance of the October Leased Asset Transfer Agreement or the Underlying Finance Leases;
- (n) the Transferee having received a demand notice in the agreed form from the Transferor; and
- (o) any other conditions precedent required by the Transferee having been fulfilled.

On the date of payment of the consideration by the Transferee to the Transferor, the title of the Relevant Leased Assets shall be transferred from the Transferor to the Transferee.

Asset Management Services

Pursuant to the October Asset Management Service Agreement, Shanghai Yixin shall provide Asset Management Services in respect of certain Relevant Leased Assets identified therein to CIB Leasing Co., Ltd. for a service fee during the Service Period. As part of the Asset Management Services, Shanghai Yixin will collect Rent and pay to CIB Leasing Co., Ltd. an agreed payment every three months in arrears as listed out in the October Asset Management Agreement (the “**Agreed Payment(s)**”) during the Service Period; the difference between the Rent and the Agreed Payments shall be the service fee Shanghai Yixin shall receive under the October Asset Management Service Agreement.

The Rent amount represents the repayment of principal and interest by Shanghai Yixin to CIB Leasing Co., Ltd. under the October Leased Assets Transaction Agreements. During the entire Service Period, the total Rent shall be approximately RMB524,602,000; the total Agreed Payments shall be approximately RMB462,645,000; the total interest to be paid by Shanghai Yixin to CIB Leasing Co., Ltd. shall be approximately RMB104,602,000; and the total service fee to be received by Shanghai Yixin shall be approximately RMB61,957,000. The amount of the service fee was determined after arm’s length negotiation between the parties with reference to the nature and scope of the services Shanghai Yixin provides. The total interest was determined after arm’s length negotiation between the parties with reference to the interest expenses payable by the lessees under the Underlying Finance Leases.

Service Period

The Service Period shall be a period of 2.5 years which is expected to commence from October 21, 2019, being the date on which the Transferee shall pay the consideration in the sum of RMB420,000,000 to the Transferor.

Relevant Leased Assets

The Relevant Leased Assets comprise certain automobiles of Shanghai Yixin as identified under the October Leased Asset Transfer Agreement, which are the finance lease assets under the Underlying Finance Leases where Shanghai Yixin is the lessor. The Relevant 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 Relevant Leased Assets as at the last date of determining the composition of the Relevant Leased Assets was approximately RMB471,360,000.

Ownership of the Relevant Leased Assets during and after the Service Period

During the Service Period, the ownership of the Relevant Leased Assets will vest in CIB Leasing Co., Ltd..

Subject to Shanghai Yixin having made all payments due to CIB Leasing Co., Ltd. pursuant to the October Asset Management Service Agreement, the ownership of the Relevant Leased Assets will be returned to Shanghai Yixin.

Guarantee

Pursuant to the October Guarantee, Shanghai Yixin shall guarantee its performance (including any payment obligations) under the October Leased Asset Transfer Agreement and the October Asset Management Service Agreement, including but not limited to any payment shortfall of the Agreed Payments, any damages or compensation and any other payables.

THE AUGUST LEASED ASSETS TRANSACTION AGREEMENTS AND THE SEPTEMBER LEASED ASSETS TRANSACTION AGREEMENTS

On August 8, 2019 and September 19, 2019, the Transferor and the Transferee entered into the August Leased Assets Transaction Agreements and the September Leased Assets Transaction Agreements, respectively. The table below sets out the key commercial arrangements under the August Leased Assets Transaction Agreements and the September Leased Assets Transaction Agreements, including (i) the date of payment of the consideration by the Transferee; (ii) the consideration; (iii) the approximate total Rent amount; (iv) the approximate total Agreed Payment; (v) the approximate total interest payment to be paid by Shanghai Yixin to CIB Leasing Co., Ltd.; (vi) the approximate total service fee to be received by Shanghai Yixin; (vii) the approximate net asset value of the Relevant Leased Assets; and (viii) the Service Period.

	Date of payment of the consideration	Amount of consideration (RMB'000)	Approximate total Rent amount (RMB'000)	Approximate total Agreed Payments (RMB'000)	Approximate total interest payment to be paid by Shanghai Yixin (RMB'000)	Approximate total service fee to be received by Shanghai Yixin (RMB'000)	Approximate net asset value of the Relevant Leased Assets (RMB'000)	Service Period
August Leased Assets Transaction Agreements	August 9, 2019	90,000	114,162	99,151	24,162	15,011	100,051	2.5 years
September Leased Assets Transaction Agreements	September 23, 2019	284,900	326,134	306,222	41,234	19,912	316,619	2 years

Save for the key commercial arrangements set out above, all material terms in the August Leased Assets Transaction Agreements and the September Leased Assets Transaction Agreements are substantially the same as those under the October Leased Assets Transaction Agreements.

The total considerations under the August Leased Assets Transaction Agreements and the September Leased Assets Transaction Agreements, respectively, were determined after arm's length negotiation between the parties with reference to the present value of the Relevant Leased Assets as at the last date of determining the composition of those Relevant Leased Assets under each of the agreements. Such Relevant Leased Assets did not generate revenue and net profits for the Group for the years ended December 31, 2017 and 2018.

The amounts of the service fees under the August Asset Management Service Agreement and the September Asset Management Service Agreement, respectively, were determined after arm's length negotiation between the parties with reference to the nature and scope of the services Shanghai Yixin provides. The total interests under the August Leased Assets Transaction Agreements and the September Leased Assets Transaction Agreements, respectively, were determined after arm's length negotiation between the parties with reference to the interest expenses payable by the lessees under the Underlying Finance Leases.

REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

By entering into the August Leased Assets Transaction Agreements, the September Leased Assets Transaction Agreements and the October Leased Assets Transaction 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 each of the August Leased Assets Transaction Agreements, the September Leased Assets Transaction Agreements and the October Leased Assets Transaction 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 is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. Shanghai Yixin is principally engaged in financing lease and operation of leasing business in the PRC.

CIB Leasing Co., Ltd. is a company incorporated in the PRC with limited liability and is principally engaged in financial leasing business. 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, CIB Leasing Co., Ltd. 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 October Leased Assets Transaction Agreements, the Transferor and the Transferee entered into the August Leased Assets Transaction Agreements and the September Leased Assets Transaction Agreements. The August Leased Assets Transaction Agreements, the September Leased Assets Transaction Agreements and the October Leased Assets Transaction Agreements have therefore been aggregated as a series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios is more than 5% but less than 25%, the transactions contemplated under the said 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:

“Asset Management Services”	asset management and related services in respect of the Relevant Leased Assets, including but not limited to: (i) lessee relationship management; (ii) collection and management of Rent; (iii) monitoring the lease projects; (iv) reporting on Rent collection; (v) management of changes to the Underlying Finance Leases; (vi) risk identification and management in respect of the leased assets projects; (vii) management of risk control and enforcement actions in respect of the leased assets project; (viii) handling legal procedures upon completion or termination of any leased assets contracts; and (ix) information management
“August Asset Management Service Agreement”	the asset management service agreement dated August 8, 2019 entered into between CIB Leasing Co., Ltd. and Shanghai Yixin
“August Leased Asset Transfer Agreement”	the leased asset transfer agreement dated August 8, 2019 entered into between the CIB Leasing Co., Ltd. and the Shanghai Yixin
“August Leased Assets Transaction Agreements”	collectively, the August Leased Asset Transfer Agreement, the August Asset Management Service Agreement and the August Guarantee
“August Guarantee”	the deed of guarantee entered into by Shanghai Yixin in favour of CIB Leasing Co., Ltd. dated August 8, 2019
“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
“Group”	the Company and its subsidiaries and the Consolidated Affiliated Entity
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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 GEM of the Stock Exchange
“October Asset Management Service Agreement”	the asset management service agreement dated October 17, 2019 entered into between CIB Leasing Co., Ltd. and Shanghai Yixin
“October Leased Asset Transfer Agreement”	the leased asset transfer agreement dated October 17, 2019 entered into between CIB Leasing Co., Ltd. and Shanghai Yixin
“October Leased Assets Transaction Agreements”	collectively, the October Leased Asset Transfer Agreement, the October Asset Management Service Agreement and the October Guarantee
“October Guarantee”	the deed of guarantee entered into by Shanghai Yixin in favour of CIB Leasing Co., Ltd. dated October 17, 2019
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Relevant Leased Assets”	automobiles of Shanghai Yixin which are the finance lease assets under the Underlying Finance Leases
“Rent”	all rental payments and related payments made by the individual customers of Shanghai Yixin, as lessees to Shanghai Yixin, as lessor, pursuant to the Underlying Finance Leases
“RMB”	Renminbi, the lawful currency of China

“Service Period”	a period of 2 years or 2.5 years (as the case may be) starting from the date on which the Transferee pays the consideration to the Transferor under the August Leased Asset Transfer Agreement, the September Leased Asset Transfer Agreement or the October Leased Asset Transfer Agreement, respectively
“September Asset Management Service Agreement”	the asset management service agreement dated September 19, 2019 entered into between CIB Leasing Co., Ltd. and Shanghai Yixin
“September Leased Asset Transfer Agreement”	the leased asset transfer agreement dated September 19, 2019 entered into between CIB Leasing Co., Ltd. and Shanghai Yixin
“September Leased Assets Transaction Agreements”	collectively, the September Leased Asset Transfer Agreement, the September Asset Management Service Agreement and the September Guarantee
“September Guarantee”	the deed of guarantee entered into by Shanghai Yixin in favour of CIB Leasing Co., Ltd. dated September 19, 2019
“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
“Transferee” or “CIB Leasing Co., Ltd.”	Industrial Bank Financial Leasing Co., Ltd. (興業金融租賃有限責任公司), a company incorporated in the PRC with limited liability
“Transferor” 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
“Underlying Finance Lease(s)”	a series of finance lease documents entered into between Shanghai Yixin, as lessor, and its individual customers, as lessees, in respect of certain automobiles
“%”	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, October 17, 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