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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 IN RELATION TO FACTORING AGREEMENTS WITH VOLKSWAGEN FINANCIAL LEASING

On January 5, 2022, Tianjin Hengtong, an indirectly wholly-owned subsidiary of the Company, and Volkswagen Financial Leasing entered into the January Factoring Agreement, pursuant to which Volkswagen Financial Leasing agreed to provide Tianjin Hengtong with a non-revolving factoring facility in the principal amount of RMB75,921,291.99 for a term described below, in return for the transfer of certain accounts receivables of Tianjin Hengtong to Volkswagen Financial Leasing and the factoring interest payable by Tianjin Hengtong.

During the 12-month period preceding the date of the January Factoring Agreement, the Group (through Shanghai Yixin or Tianjin Hengtong, as the case may be) and Volkswagen Financial Leasing entered into the September Factoring Agreements, the October Factoring Agreements and the November Factoring Agreements (together, the “**Previous Factoring Agreements**”). The Previous Factoring Agreements and the January Factoring Agreement (together, the “**Volkswagen Financial Leasing Factoring Agreements**”) 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 transaction contemplated under the Volkswagen Financial Leasing Factoring Agreements constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements only but exempt from the requirement of the Shareholders’ approval under Chapter 14 of the Listing Rules.

INTRODUCTION

On January 5, 2022, Tianjin Hengtong, an indirectly wholly-owned subsidiary of the Company, and Volkswagen Financial Leasing entered into the January Factoring Agreement, pursuant to which Volkswagen Financial Leasing agreed to provide Tianjin Hengtong with a non-revolving factoring facility in the principal amount of RMB75,921,291.99 for a term described below, in return for the transfer of certain accounts receivables of Tianjin Hengtong to Volkswagen Financial Leasing and the factoring interest payable by Tianjin Hengtong.

JANUARY FACTORING AGREEMENT

The principal terms of the January Factoring Agreement are set out below:

Date:	January 5, 2022
Parties:	(1) Tianjin Hengtong Jiahe Financing Lease Co., Ltd* (天津恒通嘉合融資租賃有限公司), as transferor; and (2) Volkswagen Financial Leasing (Tianjin) Company Limited* (德國大眾汽車融資租賃(天津)有限公司), as transferee and factor.
Type of facility:	Non-revolving
Principal amount:	RMB75,921,291.99
Term:	16 months
Payment of principal amount:	Volkswagen Financial Leasing shall transfer the principal amount in one lump sum to the bank account designated by Tianjin Hengtong following the receiving of the materials mentioned below and/or satisfaction of the conditions summarized below:

- (a) breakdown of the transfer of accounts receivables;
- (b) the Underlying Contract, the corresponding motor vehicle registration certificate and third party assessment report of the related automobile; and
- (c) other supporting documents requested by Volkswagen Financial Leasing in relation to the payment of the principal amount.

Each accounts receivable under the January Factoring Agreement shall meet the following conditions at the same time:

- (a) legal, valid, no defect, pledge or transfer and no setting of any priority or third party rights and interests, and there is no situation where legal coercive measures may be taken;
- (b) the Underlying Contracts are legal and valid, and Tianjin Hengtong has already performed the automobile finance lease services (corresponding to the accounts receivable) in accordance with the Underlying Contracts;
- (c) As of the date of transfer, the time limit for Tianjin Hengtong to exercise its creditor's right on such accounts receivables has not expired;

- (d) Tianjin Hengtong has the right to transfer part or all of its accounts receivable to Volkswagen Financial Leasing according to the provisions of the January Factoring Agreement, and the necessary third party consents for such transfer have already been obtained in accordance with the laws and regulations, Tianjin Hengtong's articles of association or valid agreements and other documents signed by Tianjin Hengtong; and
- (e) other conditions reasonably requested by Volkswagen Financial Leasing.

Repayment:

Tianjin Hengtong shall repay Volkswagen Financial Leasing a total of RMB80,294,950.52 in 16 monthly instalments according to the schedule in appendix III to the January Factoring Agreement

Total Interest:

RMB4,373,658.52

**Relevant Accounts
Receivables:**

The relevant accounts receivables were transferred from Tianjin Hengtong to Volkswagen Financial Leasing when the principal amount is transferred from Volkswagen Financial Leasing to the designated bank account of Tianjin Hengtong.

With regard to part or all of the accounts receivables transferred from Tianjin Hengtong to Volkswagen Financial Leasing, Volkswagen Financial Leasing authorized Tianjin Hengtong to collect the accounts receivables from the tenants of the Underlying Contracts on its behalf. Tianjin Hengtong agreed and guaranteed that the tenant of the Underlying Contracts will pay the accounts receivables to the designated account of Tianjin Hengtong in full and in time, and Tianjin Hengtong would transfer the money received to the designated account of Volkswagen Financial Leasing.

As at the date of this announcement, the relevant accounts receivables amounted to RMB80,294,950.52.

Repurchase:

When one of the following circumstances occurs, Tianjin Hengtong shall repurchase the creditor's rights involved, and all the rights related thereto will be transferred back to Tianjin Hengtong:

- (a) Tianjin Hengtong fails to collect the accounts receivable on behalf of Volkswagen Financial Leasing as agreed, or Tianjin Hengtong informed Volkswagen Financial Leasing that it intends to terminate or change the Underlying Contracts but fails to replace the accounts receivables as agreed in the January Factoring Agreement;

- (b) a third party other than the tenant of the Underlying Contracts raises a claim against Tianjin Hengtong for the settlement of the transaction creditor's rights;
- (c) when the regulatory or relevant government departments determine Tianjin Hengtong or Volkswagen Financial Leasing violated the relevant polices regarding the creditor's rights of the transactions involved in the January Factoring Agreement and requested for write-off of the transaction; or the transfer of creditor's rights led to questioning, inquiries or compliance investigation by the national regulatory authorities;
- (d) Volkswagen Financial Leasing finds that the accounts receivable did not meet the aforementioned conditions.

THE SEPTEMBER FACTORING AGREEMENTS, THE OCTOBER FACTORING AGREEMENTS AND THE NOVEMBER FACTORING AGREEMENTS

The Group (through Shanghai Yixin or Tianjin Hengtong, as the case may be) and Volkswagen Financial Leasing entered into the September Factoring Agreements on September 17, 2021, the October Factoring Agreements on October 13, 2021 and the November Factoring Agreements November 28, 2021, respectively.

The table below sets out the information about each of the September Factoring Agreements, the October Factoring Agreements and the November Factoring Agreements, including (i) the principal amount; (ii) the approximate interest and approximate total repayment amount; (iii) the approximate amount of accounts receivables; and (iv) the terms.

Relevant transaction	Date of factoring agreements	Principal amount (RMB)	Approximate interest (RMB)	Approximate total repayment amount (RMB)	Approximate amount of accounts receivables (RMB)	Terms (months)
1 st Tianjin Hengtong September Factoring Agreement	September 17, 2021	2,439,199.41	32,594.69	2,471,794.11	2,869,646.37	3
2 nd Tianjin Hengtong September Factoring Agreement	September 17, 2021	3,831,548.90	89,897.83	3,921,446.73	4,507,704.59	6
3 rd Tianjin Hengtong September Factoring Agreement	September 17, 2021	575,367.57	25,236.28	600,603.85	676,903.02	12
4 th Tianjin Hengtong September Factoring Agreement	September 17, 2021	35,996,794.27	2,322,706.63	38,319,500.90	42,376,988.50	18
1 st Shanghai Yixin September Factoring Agreement	September 17, 2021	20,929,485.56	279,677.88	21,209,163.44	24,622,924.19	3
2 nd Shanghai Yixin September Factoring Agreement	September 17, 2021	8,311,572.82	195,010.52	8,506,583.35	9,778,320.97	6
3 rd Shanghai Yixin September Factoring Agreement	September 17, 2021	5,428,300.23	238,091.49	5,666,391.71	6,386,235.56	12
4 th Shanghai Yixin September Factoring Agreement	September 17, 2021	14,184,326.40	915,248.97	15,099,575.37	16,687,442.82	18
1 st Tianjin Hengtong October Factoring Agreement	October 13, 2021	12,010,304.05	160,492.06	12,170,796.11	14,129,769.47	3
2 nd Tianjin Hengtong October Factoring Agreement	October 13, 2021	7,195,683.53	168,828.94	7,364,512.47	8,465,510.04	6
3 rd Tianjin Hengtong October Factoring Agreement	October 13, 2021	81,685,363.07	5,270,778.65	86,956,141.72	96,100,427.14	18
1 st Shanghai Yixin October Factoring Agreement	October 13, 2021	547,214.56	7,312.35	554,526.92	643,781.84	3
2 nd Shanghai Yixin October Factoring Agreement	October 13, 2021	11,609,962.92	749,137.21	12,359,100.12	13,658,779.90	18
1 st Tianjin Hengtong November Factoring Agreement	November 28, 2021	5,431,738.98	127,442.33	5,559,181.31	6,390,281.15	6
2 nd Tianjin Hengtong November Factoring Agreement	November 28, 2021	113,649,941.48	7,333,305.04	120,983,246.52	133,705,813.48	18

Save for the key commercial terms set out in the table above, all material terms of the September Factoring Agreements, the October Factoring Agreements and the November Factoring Agreements are substantially similar to the January Factoring Agreement.

The factoring interest under each of the January Factoring Agreement, the September Factoring Agreements, the October Factoring Agreements and the November Factoring Agreements were determined after arm's length negotiation between the parties with reference to the outstanding amount (i.e. the book value) of the relevant accounts receivables as at the last date of determining the composition of those relevant accounts receivables and the prevalent market interest for similar factoring transactions.

REASONS AND BENEFITS OF ENTERING INTO THE TRANSACTIONS

By entering into the January Factoring Agreement, the September Factoring Agreements, the October Factoring Agreements and the November Factoring Agreements, the Group can diversify its financing channels, replenish capital required for its operations and optimize its liability structure.

In view of the above, the Board (including the independent non-executive Directors) considers that the terms of each of the January Factoring Agreement, the September Factoring Agreements, the October Factoring Agreements and the November Factoring Agreements, and the transactions contemplated thereunder were 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 and Tianjin Hengtong are companies incorporated in the PRC with limited liability and are indirectly wholly-owned subsidiaries of the Company. Shanghai Yixin and Tianjin Hengtong are principally engaged in financing lease and operation of leases business in the PRC.

Volkswagen Financial Leasing is a company established under the laws of the PRC and is principally engaged in financial leasing business. As at the date of this announcement, Volkswagen Financial Leasing is ultimately controlled by Porsche Automobil Holding SE, being the single largest shareholder holding 31.38% equity interest in Volkswagen Financial Leasing through intermediaries.

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, Volkswagen Financial Leasing 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 January Factoring Agreement, the Group (through Shanghai Yixin or Tianjin Hengtong, as the case may be) and Volkswagen Financial Leasing entered into the Previous Factoring Agreements. The Volkswagen Financial Leasing Factoring Agreements 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 transaction contemplated under the Volkswagen Financial Leasing Factoring Agreements constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements only but exempt from the requirement of the Shareholders' approval under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“1st Shanghai Yixin October Factoring Agreement”	the factoring agreement dated October 13, 2021 entered into between Shanghai Yixin and Volkswagen Financial Leasing with a term of 3 months
“1st Shanghai Yixin September Factoring Agreement”	the factoring agreement dated September 17, 2021 entered into between Shanghai Yixin and Volkswagen Financial Leasing with a term of 3 months
“1st Tianjin Hengtong November Factoring Agreement”	the factoring agreement dated November 28, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 6 months
“1st Tianjin Hengtong October Factoring Agreement”	the factoring agreement dated October 13, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 3 months
“1st Tianjin Hengtong September Factoring Agreement”	the factoring agreement dated September 17, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 3 months
“2nd Shanghai Yixin October Factoring Agreement”	the factoring agreement dated October 13, 2021 entered into between Shanghai Yixin and Volkswagen Financial Leasing with a term of 18 months
“2nd Shanghai Yixin September Factoring Agreement”	the factoring agreement dated September 17, 2021 entered into between Shanghai Yixin and Volkswagen Financial Leasing with a term of 6 months
“2nd Tianjin Hengtong November Factoring Agreement”	the factoring agreement dated November 28, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 18 months

“2nd Tianjin Hengtong October Factoring Agreement”	the factoring agreement dated October 13, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 6 months
“2nd Tianjin Hengtong September Factoring Agreement”	the factoring agreement dated September 17, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 6 months
“3rd Shanghai Yixin September Factoring Agreement”	the factoring agreement dated September 17, 2021 entered into between Shanghai Yixin and Volkswagen Financial Leasing with a term of 12 months
“3rd Tianjin Hengtong October Factoring Agreement”	the factoring agreement dated October 13, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 18 months
“3rd Tianjin Hengtong September Factoring Agreement”	the factoring agreement dated September 17, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 12 months
“4th Shanghai Yixin September Factoring Agreement”	the factoring agreement dated September 17, 2021 entered into between Shanghai Yixin and Volkswagen Financial Leasing with a term of 18 months
“4th Tianjin Hengtong September Factoring Agreement”	the factoring agreement dated September 17, 2021 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 18 months
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China, which for the purpose of this announcement to the PRC or China excludes Hong Kong, the Macau Special Administrative Region of the PRC 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
“Director(s)”	the director(s) of the Company

“Group”	the Company, its subsidiaries and the Consolidated Affiliated Entity
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any entity or person who is not a connected person of the Company or an associate of such person within the meaning ascribed to it by the Listing Rules
“January Factoring Agreement”	the factoring agreement dated January 5, 2022 entered into between Tianjin Hengtong and Volkswagen Financial Leasing with a term of 16 months
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“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
“November Factoring Agreements”	collectively, the 1st Tianjin Hengtong November Factoring Agreement and the 2nd Tianjin Hengtong November Factoring Agreement
“October Factoring Agreements”	collectively, the 1st Tianjin Hengtong October Factoring Agreement, the 2nd Tianjin Hengtong October Factoring Agreement, the 3rd Tianjin Hengtong October Factoring Agreement, the 1st Shanghai Yixin October Factoring Agreement and the 2nd Shanghai Yixin October Factoring Agreement
“percentage ratios”	has the meaning ascribed to it by the Listing Rules
“Previous Factoring Agreements”	collectively, the September Factoring Agreements, the October Factoring Agreements and the November Factoring Agreements
“RMB”	Renminbi, the lawful currency of China
“September Factoring Agreements”	collectively, the 1st Tianjin Hengtong September Factoring Agreement, the 2nd Tianjin Hengtong September Factoring Agreement, the 3rd Tianjin Hengtong September Factoring Agreement, the 4th Tianjin Hengtong September Factoring Agreement, the 1st Shanghai Yixin September Factoring Agreement, the 2nd Shanghai Yixin September Factoring Agreement, the 3rd Shanghai Yixin September Factoring Agreement and the 4th Shanghai Yixin September Factoring Agreement

“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
“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 from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it by the Listing Rules
“Tianjin Hengtong”	Tianjin Hengtong Jiahe Financing Lease Co., Ltd* (天津恒通嘉合融資租賃有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Underlying Contract”	electronic scanned copies of the finance lease agreement entered into between the transferor and tenant of the automobile
“Volkswagen Financial Leasing”	Volkswagen Financial Leasing (Tianjin) Company Limited* (德國大眾汽車融資租賃(天津)有限公司), a company established under the laws of the PRC
“Volkswagen Financial Leasing Factoring Agreements”	collectively, the Previous Factoring Agreements and the January Factoring Agreement
“%”	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, January 5, 2022

As at the date of this announcement, the Directors are:

Executive Directors Mr. Andy Xuan Zhang and Mr. Dong Jiang

Non-executive Directors Mr. Matthew Yun Ming Cheng, Mr. Jun Yang, Mr. Qin Miao and Ms. Amanda Chi Yan Chau

Independent non-executive Directors Mr. Tin Fan Yuen, Mr. Chester Tun Ho Kwok and Ms. Lily Li Dong