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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)**

## **INSIDE INFORMATION**

### **ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE**

#### **(1) NON-BINDING PROPOSAL LETTER RECEIVED BY THE CONTROLLING SHAREHOLDER OF THE COMPANY**

#### **(2) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER TO ACQUIRE ALL THE ISSUED YIXIN SHARES AND OTHER SECURITIES OF THE COMPANY (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE CONSORTIUM OR PARTIES ACTING IN CONCERT WITH IT)**

**AND**

#### **(3) RESUMPTION OF TRADING**

This announcement is made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

#### **NON-BINDING PROPOSAL LETTER RECEIVED BY THE CONTROLLING SHAREHOLDER OF THE COMPANY**

The Board has been notified on 13 September 2019 by Bitauto, the controlling shareholder of the Company, that its board of directors has received the Proposal Letter dated 12 September 2019 from Tencent Holdings and Hammer Capital in relation to the Proposed Transaction. The Proposed Transaction is subject to the execution of definitive agreements between the Consortium and Bitauto. For details of the Proposed Transaction, please refer to the announcement of Bitauto dated 13 September 2019 which can be retrieved from <http://ir.bitauto.com>.

In the event that the Proposed Transaction materializes, there will be a change in statutory control in Bitauto upon completion of the Proposed Transaction whereby the Consortium will acquire control (as defined under the Takeovers Code) of the Company. The Consortium, having consulted with the Executive, will be required to make the Possible Offer to the Shareholders and other securities holders of the Company for all the issued Yixin Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Consortium or the parties acting in concert with it) upon completion of the Proposed Transaction pursuant to Note 8 to Rule 26.1 of the Takeovers Code.

As informed by Bitauto, according to the Proposal Letter, the Consortium proposes to acquire the outstanding Bitauto Shares and ADSs at a non-binding purchase price equal to US\$16 per Bitauto Share (or the equivalent amount per ADS, as the case may be) in cash. Such purchase price is subject to change and the final purchase price may be a higher or lower amount. The offer price for the Yixin Shares under the Possible Offer shall be determined in accordance with the applicable requirements under the Takeovers Code by applying the Pacpo Formula in Practice Note 19 issued by the Executive. Such determination will take into account, among other things, the net asset value (after deduction of non-controlling interest) of each of Bitauto and the Company which are subject to adjustments and verification by the financial advisor to the Proposed Offeror and the final offer price for the Proposed Transaction. The offer price for the Yixin Shares and the other securities of the Company under the Possible Offer will be confirmed and announced by the Proposed Offeror in the announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code.

**As informed by Bitauto, the Proposal Letter is non-binding in nature and no decisions have been made with respect to Bitauto's response to the Proposal Letter, and there is no assurance that any definitive offer will be made, that any definitive agreement will be executed or that the Proposed Transaction will be approved or consummated.**

#### **SUPPORT AGREEMENT AND IRREVOCABLE UNDERTAKING**

The Board has been informed by Bitauto that the Consortium has entered into certain support agreements in connection with the Proposed Transaction with certain shareholders of Bitauto, including JD Global. Pursuant to the Support Agreement, JD Global has agreed to (i) vote all of the Bitauto Shares and ADSs beneficially owned by it in favour of the Proposed Transaction and against any other transaction in competition or inconsistent with the Proposed Transaction; and (ii) roll over a maximum of 15.0% of the total issued and outstanding Bitauto Shares (excluding any treasury shares) in the Proposed Transaction. To the best knowledge of the Board, as of the date of this announcement, JD Global beneficially owns approximately 25.1% of the total issued and outstanding Bitauto Shares (excluding any treasury shares).

The Board has been informed by Bitauto that, as part of the arrangements between the Consortium and JD Global in support of the Proposed Transaction, the Consortium also entered into the Irrevocable Undertaking with JD Financial on 12 September 2019 in connection with the Possible Offer. As of the date of this announcement, JD Financial beneficially owns 684,283,320 Yixin Shares, representing approximately 10.74% of the total issued Yixin Shares.

Pursuant to the terms of the Irrevocable Undertaking:

(1) JD Financial has undertaken that, among other things:

- a. it will not accept the Possible Offer in respect of any of the Yixin Shares owned by it or make any of the Yixin Shares owned by it available for acceptance under the Possible Offer, provided that the offer price per Yixin Share for the Possible Offer does not exceed HK\$2.00;
- b. it will not, during the period between the date of the Irrevocable Undertaking and the earlier of (i) the end of the offer period of the Possible Offer and (ii) the termination of the Irrevocable Undertaking in accordance with its terms, sell, transfer, charge, create or permit to subsist any encumbrances over or otherwise dispose of, directly or indirectly, all or any of the Yixin Shares owned by it or any interest therein, or, except with the prior written consent of the Consortium or the Proposed Offeror, purchase, acquire or otherwise deal or undertake any dealing or make an offer to acquire or deal in any Yixin Shares or other securities of the Company (or any interest therein), provided that if the offer price per Yixin Share for the Possible Offer exceeds HK\$2.00, the undertaking under this paragraph shall immediately cease; and
- c. subject to (i) the Consortium or parties acting in concert with it becoming and remaining as the controlling shareholder(s) of the Company, (ii) it and/or its close associates remaining as a substantial shareholder of the Company and (iii) completion of the Possible Offer, it and its close associates (except for those close associates not controlled by JD Financial, in which case JD Financial has undertaken to use all reasonable endeavours to procure that such close associates) will not acquire any Yixin Shares or voting rights in the Company without the prior written consent of the Consortium or the Proposed Offeror, if:
  - i. the Company is already in breach of the minimum public float requirement under the Listing Rules as imposed by the Stock Exchange from time to time; or
  - ii. such acquisition will result in a breach by the Company of the minimum public float requirement under the Listing Rules as imposed by the Stock Exchange from time to time.

(2) JD Financial's undertakings will terminate immediately upon the earliest occurrence of:

- a. the joint announcement to be published by the Proposed Offeror and the Company pursuant to Rule 3.5 of the Takeovers Code in respect of the Possible Offer failing to be published by the date falling nine (9) months after the date of the Irrevocable Undertaking;
- b. the termination of the Support Agreement in accordance with its terms on grounds other than the consummation of the Proposed Transaction;

- c. the parties to the Irrevocable Undertaking having agreed in writing to terminate the Irrevocable Undertaking;
- d. the date on which the Consortium informs Bitauto in a joint written notice, or publicly discloses, that it has made a decision to terminate or rescind, or discontinue its pursuit of the Proposed Transaction; and
- e. the Proposed Transaction having lapsed or been terminated for any other reason.

### **RESUMPTION OF TRADING**

At the request of the Company, trading in the Yixin Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 13 September 2019 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Yixin Shares on the Stock Exchange with effect from 9:00 a.m. on 16 September 2019.

**As the Proposed Transaction may or may not proceed and the Possible Offer for all the issued Yixin Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Consortium or the parties acting in concert with it) may or may not be triggered or made, Shareholders and potential investors are advised to exercise caution when dealing in the Yixin Shares and other securities of the Company.**

This announcement is made by the Company pursuant to Rule 3.7 of the Takeovers Code, Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

### **NON-BINDING PROPOSAL LETTER RECEIVED BY THE CONTROLLING SHAREHOLDER OF THE COMPANY**

The Board has been notified on 13 September 2019 by Bitauto, the controlling shareholder of the Company, that its board of directors has received the Proposal Letter dated 12 September 2019 from Tencent Holdings and Hammer Capital in relation to the Proposed Transaction. The Proposed Transaction is subject to the execution of definitive agreements between the Consortium and Bitauto. For details of the Proposed Transaction, please refer to the announcement of Bitauto dated 13 September 2019 which can be retrieved from <http://ir.bitauto.com>.

As of the date of this announcement:

- i. Tencent and parties acting in concert with it (excluding Bitauto) are interested in (a) 4,517,683 Bitauto Shares and 965,000 ADS, representing approximately 7.81% of the total issued and outstanding Bitauto Shares (excluding any treasury shares); and (b) 1,312,059,280 Yixin Shares, representing approximately 20.59% of the total issued Yixin Shares;
- ii. Hammer Capital and parties acting in concert with it are interested in 94,345,790 Yixin Shares, representing approximately 1.48% of the total issued Yixin Shares; and

- iii. Bitauto owns, directly or indirectly, 2,786,836,570 Yixin Shares, representing approximately 43.74% of the total issued Yixin Shares. In addition, Bitauto controls the voting rights attached to an additional 627,632,248 Yixin Shares, representing approximately 9.85% of the total issued Yixin Shares, pursuant to a voting proxy agreement entered into between Bitauto, Tencent Holdings and JD.com on 31 October 2017. Accordingly, Bitauto controls, directly or indirectly, the exercise of an aggregate of approximately 53.59% of the voting rights in the Company.

In the event that the Proposed Transaction materializes, there will be a change in statutory control in Bitauto upon completion of the Proposed Transaction whereby the Consortium will acquire control (as defined under the Takeovers Code) of the Company. The Consortium, having consulted with the Executive, will be required to make the Possible Offer to the Shareholders and other securities holders of the Company for all the issued Yixin Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Consortium or the parties acting in concert with it) upon completion of the Proposed Transaction pursuant to Note 8 to Rule 26.1 of the Takeovers Code.

As informed by Bitauto, according to the Proposal Letter, the Consortium proposes to acquire the outstanding Bitauto Shares and ADSs at a non-binding purchase price equal to US\$16 per Bitauto Share (or the equivalent amount per ADS, as the case may be) in cash. Such purchase price is subject to change and the final purchase price may be a higher or lower amount. The offer price per Yixin Share under the Possible Offer shall be determined in accordance with the applicable requirements under the Takeovers Code by applying the Pacpo Formula in Practice Note 19 issued by the Executive. Such determination will take into account, among other things, the net asset value (after deduction of non-controlling interest) of each of Bitauto and the Company which are subject to adjustments and verification by the financial advisor to the Proposed Offeror and the final offer price for the Proposed Transaction. The offer price for the Yixin Shares and the other securities of the Company under the Possible Offer will be confirmed and announced by the Proposed Offeror in the announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code.

Further announcement(s) will be made by the Company if there is any update on the Proposed Transaction and the Possible Offer in compliance with the Listing Rules and/or the Takeovers Code.

**As informed by Bitauto, the Proposal Letter is non-binding in nature and no decisions have been made with respect to Bitauto's response to the Proposal Letter, and there is no assurance that any definitive offer will be made, that any definitive agreement will be executed or that the Proposed Transaction will be approved or consummated.**

## **SUPPORT AGREEMENT AND IRREVOCABLE UNDERTAKING**

The Board has been informed by Bitauto that the Consortium has entered into certain support agreements in connection with the Proposed Transaction with certain shareholders of Bitauto, including JD Global. Pursuant to the Support Agreement, JD Global has agreed to (i) vote all of the Bitauto Shares and ADSs beneficially owned by it in favour of the Proposed Transaction and against any other transaction in competition or inconsistent with the Proposed Transaction; and (ii) roll over a maximum of 15.0% of the total issued and outstanding Bitauto Shares (excluding any treasury shares) in the Proposed Transaction. To the best knowledge of the Board, as of the date of this announcement, JD Global beneficially owns approximately 25.1% of the total issued and outstanding Bitauto Shares (excluding any treasury shares).

The Board has been informed by Bitauto that, as part of the arrangements between the Consortium and JD Global in support of the Proposed Transaction, the Consortium also entered into the Irrevocable Undertaking with JD Financial on 12 September 2019 in connection with the Possible Offer. As of the date of this announcement, JD Financial beneficially owns 684,283,320 Yixin Shares, representing approximately 10.74% of the total issued Yixin Shares.

Pursuant to the terms of the Irrevocable Undertaking:

- (1) JD Financial has undertaken that, among other things:
  - a. it will not accept the Possible Offer in respect of any of the Yixin Shares owned by it or make any of the Yixin Shares owned by it available for acceptance under the Possible Offer, provided that the offer price per Yixin Share for the Possible Offer does not exceed HK\$2.00;
  - b. it will not, during the period between the date of the Irrevocable Undertaking and the earlier of (i) the end of the offer period of the Possible Offer and (ii) the termination of the Irrevocable Undertaking in accordance with its terms, sell, transfer, charge, create or permit to subsist any encumbrances over or otherwise dispose of, directly or indirectly, all or any of the Yixin Shares owned by it or any interest therein, or, except with the prior written consent of the Consortium or the Proposed Offeror, purchase, acquire or otherwise deal or undertake any dealing or make an offer to acquire or deal in any Yixin Shares or other securities of the Company (or any interest therein), provided that if the offer price per Yixin Share for the Possible Offer exceeds HK\$2.00, the undertaking under this paragraph shall immediately cease; and

- c. subject to (i) the Consortium or parties acting in concert with it becoming and remaining as the controlling shareholder(s) of the Company, (ii) it and/or its close associates remaining as a substantial shareholder of the Company and (iii) completion of the Possible Offer, it and its close associates (except for those close associates not controlled by JD Financial, in which case JD Financial has undertaken to use all reasonable endeavours to procure that such close associates) will not acquire any Yixin Shares or voting rights in the Company without the prior written consent of the Consortium or the Proposed Offeror, if:
    - i. the Company is already in breach of the minimum public float requirement under the Listing Rules as imposed by the Stock Exchange from time to time; or
    - ii. such acquisition will result in a breach by the Company of the minimum public float requirement under the Listing Rules as imposed by the Stock Exchange from time to time.
- (2) JD Financial's undertakings will terminate immediately upon the earliest occurrence of:
- a. the joint announcement to be published by the Proposed Offeror and the Company pursuant to Rule 3.5 of the Takeovers Code in respect of the Possible Offer failing to be published by the date falling nine (9) months after the date of the Irrevocable Undertaking;
  - b. the termination of the Support Agreement in accordance with its terms on grounds other than the consummation of the Proposed Transaction;
  - c. the parties to the Irrevocable Undertaking having agreed in writing to terminate the Irrevocable Undertaking;
  - d. the date on which the Consortium informs Bitauto in a joint written notice, or publicly discloses, that it has made a decision to terminate or rescind, or discontinue its pursuit of the Proposed Transaction; and
  - e. the Proposed Transaction having lapsed or been terminated for any other reason.

## **RELEVANT SECURITIES OF THE COMPANY**

In compliance with Rule 3.8 of the Takeovers Code, the relevant securities of the Company in issue as at the date of this announcement comprise (i) 6,371,993,548 Yixin Shares and (ii) outstanding options to subscribe for an aggregate of 228,309,798 Yixin Shares granted under the pre-IPO share option scheme of the Company. Save for the aforesaid, the Company has no other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) as at the date hereof.

## **DISCLOSURE OF DEALINGS**

For the purpose of the Takeovers Code, the offer period commences on the date of this announcement, being 13 September 2019.

Associates (as defined under the Takeovers Code) of the Company and the Consortium (including persons who own or control 5% or more of any class of relevant securities issued by the Company or the Consortium) are hereby reminded to disclose their dealings in the securities of the Company pursuant to the Takeovers Code.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

*“Responsibilities of stockbrokers, banks and other intermediaries*

*Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.*

*This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.*

*Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”*

## **UPDATES**

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) setting out the progress of the Proposed Transaction and the Possible Offer will be made until an announcement of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with an offer is made.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Yixin Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 13 September 2019 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading in the Yixin Shares on the Stock Exchange with effect from 9:00 a.m. on 16 September 2019.

**As the Proposed Transaction may or may not proceed and the Possible Offer for all the issued Yixin Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Consortium or the parties acting in concert with it) may or may not be triggered or made, Shareholders and potential investors are advised to exercise caution when dealing in the Yixin Shares and other securities of the Company.**

## **DEFINITIONS**

In this announcement, the following expressions have the meanings set out below unless the context otherwise requires:

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“ADS”	American depositary share of Bitauto, each representing one Bitauto Share
“Bitauto”	Bitauto Holdings Limited, an exempted company organized and existing under the laws of the Cayman Islands the shares of which are listed on the New York Stock Exchange (NYSE: BITA), and the controlling shareholder of the Company
“Bitauto Share(s)”	ordinary share(s) in the share capital of Bitauto
“Board”	the board of Directors
“close associate”	has the meaning ascribed thereto in the Listing Rules
“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)
“Consortium”	Tencent and Hammer Capital
“controlling shareholder”	has the meaning ascribed thereto in the Listing Rules
“Directors”	directors of the Company
“Executive”	the Executive Director of the Corporate Finance Division of the Securities and Futures Commission from time to time or any delegate of such Executive Director
“Hammer Capital”	Hammer Capital Opportunities Fund L.P., an exempted limited partnership organized under the laws of the Cayman Island, the general partner of which is Hammer Capital Opportunities General Partner, which is ultimately beneficially owned by Mr. Rodney Ling Kay Tsang

“Irrevocable Undertaking”	the deed of irrevocable undertaking dated 12 September 2019 between the Consortium and JD Financial in connection with the Possible Offer
“JD Financial”	JD Financial Investment Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly wholly owned by JD.com, and a substantial shareholder of the Company
“JD Global”	JD.com Global Investment Limited, a company incorporated in the British Virgin Islands with limited liability and indirectly wholly owned by JD.com
“JD.com”	JD.com, Inc., a company incorporated in the Cayman Islands with limited liability the shares of which are listed on The NASDAQ Global Select Market (JD:NASDAQ GS), and a substantial shareholder of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Possible Offer”	the possible unconditional mandatory general offer to be made by the Consortium (through the Proposed Offeror) to the Shareholders and other securities holders of the Company for all the issued Yixin Shares and other securities of the Company (other than those already owned or agreed to be acquired by the Consortium or the parties acting in concert with it) upon completion of the Proposed Transaction pursuant to Note 8 to Rule 26.1 of the Takeovers Code
“Proposal Letter”	the non-binding proposal letter dated 12 September 2019 received by the board of directors of Bitauto from Tencent Holdings and Hammer Capital setting out the preliminary key terms of the Proposed Transaction
“Proposed Offeror”	Tencent and Hammer Capital, or a special purpose vehicle to be established by Tencent and Hammer Capital for the purposes of the Possible Offer
“Proposed Transaction”	the possible acquisition by the Consortium and/or their affiliates of all of the outstanding Bitauto Shares and ADSs not already beneficially owned by the Consortium or its affiliates in a going private transaction
“Shareholder(s)”	holder(s) of the Yixin Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules

“Support Agreement”	the support agreement dated 12 September 2019 between the Consortium and JD Global in connection with the Proposed Transaction
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers as in force and as amended from time to time
“Tencent”	Morespark Limited, a private company limited by shares incorporated under the laws of Hong Kong and wholly owned by Tencent Holdings, and a substantial shareholder of the Company
“Tencent Holdings”	Tencent Holdings Limited, a company incorporated in the Cayman Islands with limited liability the shares of which are listed on the Main Board of the Stock Exchange (stock code: 700), and a substantial shareholder of the Company
“Yixin Share(s)”	ordinary share(s) in the share capital of the Company
“%”	per cent

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

Hong Kong, 13 September 2019

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

<b>Executive Directors</b>	Mr. Andy Xuan Zhang and Mr. Dong Jiang
<b>Non-executive Directors</b>	Mr. James Gordon Mitchell, Mr. Jimmy Chi Ming Lai, Mr. Chenkai Ling and Mr. Huan Zhou
<b>Independent non-executive Directors</b>	Mr. Tin Fan Yuen, Mr. Chester Tun Ho Kwok and Ms. Lily Li Dong

*All Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquires, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement contained in this announcement misleading.*