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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

UNAUDITED RESULTS FOR THE 2018 FIRST QUARTER OF OUR CONTROLLING SHAREHOLDER, BITAUTO HOLDINGS LIMITED

This announcement is issued pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of Yixin Group Limited 易鑫集团有限公司 (“**Yixin**” or the “**Company**” and together with its subsidiaries and consolidated affiliates entities, the “**Group**”) is pleased to announce certain information relating to the unaudited operational and financial performance of the Group (the “**Business Performance**”) for the three months ended March 31, 2018 (the “**2018 First Quarter**”).

On June 13, 2018 (6:20 a.m. US ET), Bitauto Holdings Limited (“**Bitauto**”), a company listed on the New York Stock Exchange (the “**NYSE**”) (NYSE: BITA) in the United States and a controlling shareholder of the Company, publicly released its unaudited results for the 2018 First Quarter (“**Bitauto Earnings Release**”). The Bitauto Earnings Release contains references relating to the Business Performance of the Company for the 2018 First Quarter. If you wish to review the Bitauto Earnings Release issued by Bitauto, please visit <http://ir.bitauto.com>. The Bitauto Earnings Release is also available in the public domain.

The financial results of Bitauto, including those contained in the Bitauto Earnings Release, have been prepared in accordance with Generally Accepted Accounting Principles (“**GAAP**”) of the United States (“**U.S. GAAP**”), which are different from International Financial Reporting Standards (“**IFRS**”). We use IFRS to prepare and present our financial information. As such, the financial information and additional financial measures, including adjusted net profit/loss (“**Non-GAAP net loss**”), which are unaudited and not required by, or presented in accordance with IFRS, in the

Bitauto Earnings Release is not directly comparable to the financial results the Company discloses as a company listed on The Stock Exchange of Hong Kong Limited.

Our shareholders and potential investors are advised that the financial results contained in the Bitauto Earnings Release are unaudited and have not been prepared or presented by the Company and there is no indication or assurance from the Company that the financial results of our Group for the 2018 First Quarter will be the same as that presented in the Bitauto Earnings Release.

To ensure that all our shareholders and potential investors have equal and timely access to the information pertaining to the Company, set forth below are the key highlights of financial and other information published by Bitauto in the Bitauto Earnings Release that relate to the Company, some of which may constitute inside information of the Company.

“ Yixin First Quarter 2018 Highlights

In the first quarter of 2018, Bitauto’s controlled subsidiary Yixin, the primary operator of the Company’s transaction services business, facilitated over 110,000 financed automobile transactions through its loan facilitation services and its self-operated financing services.

In the first quarter of 2018, under U.S. GAAP, Yixin’s total revenues reached RMB1.23 billion (US\$195.8 million); gross profit reached RMB598.7 million (US\$95.5 million); net loss was RMB221.4 million (US\$35.3 million) and Non-GAAP net loss was RMB62.3 million (US\$9.9 million). Yixin’s Non-GAAP net loss is calculated by net loss excluding share-based compensation of RMB109.8 million (US\$17.5 million), amortization of intangible assets resulting from asset and business acquisitions of RMB49.9 million (US\$7.9 million), and offset by tax effect of RMB0.5 million (US\$0.1 million).”

“As of March 31, 2018, Yixin had cash and cash equivalents and restricted cash of RMB5.44 billion (US\$867.5 million), total finance receivables of RMB33.81 billion (US\$5.39 billion), and total borrowings (including bank borrowings and asset-backed securitization debt) of RMB28.49 billion (US\$4.54 billion).

As of March 31, 2018, Yixin’s 30+ days past due ratio, 90+ days past due ratio, and 180+ days past due ratio was 1.45%, 0.93%, and 0.39%, respectively.”

“Recent Updates

- *Change of government supervision authority*

The Ministry of Commerce of the People’s Republic of China (“ 商務部 ”) recently announced that effective April 20, 2018, the China Banking and Insurance Regulatory Commission (“ 中國銀行保險監督管理委員會 ”) would take over the function of supervising financial lease companies.”

- *Provision for credit losses of finance receivables”*

“Under U.S. GAAP, Yixin’s provision for credit losses of finance receivables in the first quarter of 2018 was RMB179.4 million (US\$28.6 million), and the balance of provision for credit losses of finance receivables was RMB275.0 million (US\$43.8 million) as of March 31, 2018. These

measures reflected management's best estimates of credit losses of finance receivables, taking into consideration all currently available information and expectation of asset quality.

As Bitauto's controlled subsidiary listed on the Hong Kong Stock Exchange, Yixin prepares its consolidated financial statements under IFRS. Under IFRS, in prior periods, Yixin also applied the "incurred loss" model to assess the provision for credit losses on finance receivables that have become past due, which would reach the same results as under U.S. GAAP. However, commencing on January 1, 2018, Yixin adopted the new standard IFRS 9 Financial Instruments, which introduces an "expected credit losses" model to assess the provision for credit losses. According to the new standard, Yixin incorporates both available forward-looking information and historical patterns to estimate the expected credit losses for all finance receivables, including those that have not become past due. Yixin adopted the new standard by applying the retrospective approach, and the accumulated impact on provisions for credit losses as of December 31, 2017 would be recorded in equity on Yixin's consolidated balance sheet.

Under IFRS, Yixin's provision for credit losses of finance receivables in the first quarter of 2018 was estimated to be RMB130.0 million (US\$20.7 million), and the balance of provision for credit losses was estimated to be RMB416.0 million (US\$66.3 million) as of March 31, 2018. These estimates are based on assumptions, judgments and estimation techniques that remain subject to change until Yixin finalizes its financial statements for the year ended December 31, 2018."

The Business Performance for the 2018 First Quarter contained in this announcement represents preliminary statistics and a preliminary assessment based on the management accounts of the Group and such information has not been audited or reviewed by the Company's auditor.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, June 13, 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.

This announcement may contain forward-looking statements. These forward-looking statements are based on information currently available to the Group and are stated herein on the basis of the outlook at the time of this announcement. They are based on certain expectations, assumptions and premises, some of which are subjective or beyond our control. These forward-looking statements may prove to be incorrect and may not be realised in future. Underlying these forward-looking statements are a large number of risks and uncertainties. In light of the risks and uncertainties, the inclusion of forward-looking statements in this announcement should not be regarded as representations by the Board or the Company that the plans and objectives will be achieved. Shareholders and potential investors should therefore not place undue reliance on such statements.