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)

PRELIMINARY ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED DECEMBER 31, 2023

The Board of Yixin Group Limited 易鑫集团有限公司 is pleased to announce the audited consolidated results of the Group for the year ended December 31, 2023. The results have been audited by PricewaterhouseCoopers, the Group's auditor, in accordance with International Standards on Auditing.

KEY HIGHLIGHTS

	Year ended December 31,		
	2023	2022	Year-on-year
	RMB'000	*RMB'000*	*%*
Revenues	**6,685,971**	5,201,508	29%
Transaction Platform Business	**5,096,571**	3,984,259	28%
Loan Facilitation Services	**3,445,250**	3,153,649	9%
SaaS Services	**462,679**	121,614	280%
Other Platform Services	**1,188,642**	708,996	68%
Self-Operated Financing Business	**1,589,400**	1,217,249	31%
Financing Lease Services	**1,570,398**	1,188,496	32%
Other Self-operated Services	**19,002**	28,753	-34%
Gross profit	**3,247,148**	2,888,371	12%
Operating profit	**689,258**	400,024	72%
Net profit	**554,958**	370,814	50%
Adjusted operating profit	**1,090,891**	755,102	44%
Adjusted net profit	**910,050**	688,338	32%

	Year ended December 31,		
	2023	2022	Year-on-year
	'000	*'000*	*%*
Total financed transactions	**678**	556	22%
– By auto type			
New	**399**	265	51%
Used	**279**	291	-4%
– By service type			
Through loan facilitation services and SaaS services	**494**	463	7%
Through self-operated financing business	**184**	93	99%

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Yixin Group Limited 易鑫集团有限公司, I hereby present the annual results announcement of the Group for the Reporting Period.

2023 was a year marked by the recession of the pandemic's impact and the restoration of economic order. According to the data from China's National Bureau of Statistics, China's Gross Domestic Product (GDP) grew by 5.2% year-on-year in 2023. Despite signs of economic recovery in China over the past year, the economy still faced a number of risks and challenges, including increased employment pressures, insufficient effective demand, heightened real estate credit risks, and mounting difficulties in local government debt management. These issues cast uncertainty on the medium and long-term growth potential of China's economy, necessitating more refined strategies to maintain stable growth and promote reforms.

In 2023, the Chinese automotive industry played a significant role in the macroeconomic recovery. Stimulus policies at both the central and local government levels boosted the vitality of supply and demand in the automotive market. According to the China Association of Automobile Manufacturers (CAAM) and the China Automobile Dealers Association (CADA), the total transaction volume of passenger cars in China (including new and used vehicles) saw a year-on-year increase of 12% in 2023. Data from the China Passenger Car Association (CPCA) indicates that the penetration rate of New Energy Vehicles (NEVs) in the new car retail sector reached 35% in 2023. However, due to the intense market competition, not all market players in the industry supply chain have been universally benefited. A year-long "price war" eroded the profit margins of automobile enterprises and pushed used car dealer inventories to high levels, with "involution" becoming the new norm. Against this backdrop, exports emerged as a new engine that drove industry growth.

In 2023, faced with a complex and ever-changing environment, Yixin Group, through the relentless efforts of all employees, has steadily expanded its market share and achieved outstanding business results. We realized a financing transaction amount of RMB65.9 billion, representing an increase of 24% compared to the previous year. The scale of the Company's asset management continued to grow, further solidifying our leading position in the auto finance industry. Notably, the Group seized the trend of the 'intelligent electric' auto industry, and our NEV business experienced rapid growth in 2023, reaching a financing transaction amount of RMB12.4 billion, representing a year-on-year increase of 200%.

During the Reporting Period, the Company's revenue reached RMB6,686 million, representing a year-on-year increase of 29%, and the adjusted net profit amounted to RMB910 million, representing an increase of 32% compared to the previous year. The following aspects were the highlights of our operations that drove our performance growth:

Firstly, the Group maintained a diverse range of financing channels. High-quality automotive finance assets have gained increasing market popularity and recognition in recent years. During the Reporting Period, the Company made significant progress in overseas financing, establishing collaborations with several foreign financial institutions, including the Tai Fung Bank. In the domestic public market, we achieved multiple breakthroughs with our standardized products: for credit bonds, we issued the 4th tranche of Super and Short-term Commercial Paper (SCP) in September 2023, reaching a record subscription multiple; for structured products, our Asset-Backed Note (ABN) projects repeatedly received international AAA ratings, and our Asset-Backed Securities (ABS) projects achieved historically low coupon rates. As of the end of 2023, the Group's cumulative financing scale in the public market had surpassed RMB50 billion.

Secondly, we actively developed value-added services to meet the diverse needs of our customers throughout their vehicle ownership lifecycle. To alleviate consumers' concerns about the residual value of electric vehicles, we collaborate with insurance companies to recommend suitable battery guaranteed asset protection (GAP) products to them. The Company will continue to innovate in value-added services, adapt to market changes and discover customer value.

Thirdly, the Group's asset quality management proved to be highly effective. In 2023, given the fragile foundation of economic recovery and potential risks associated with industry rebound, the Group adopted a forward-looking and cautious development strategy. As of December 31, 2023, the 90+ days past due ratio stood at 1.89%. The resilience of our asset quality attributes to our extensive business range and low customer concentration, which are typical of retail finance, as well as our adoption of sophisticated risk management strategies. In terms of pre-loan strategy, the Group actively scaled back high-risk operations, adjusted product access criteria, and balanced new and used car business structures. In the loan approval process, we launched digital technology tools like "Credit Enhancement Chain" and "Intelligent Face-to-Face Review" to enhance our anti-fraud and credit screening capabilities. In post-loan management, we leveraged big data analysis to dynamically assess the cost-effectiveness of various asset recovery methods at different stages in order to devise precise strategies accordingly.

Guided by our principle of "Value Re-creation, Responsibility First", Yixin Group has been actively fulfilling its social responsibilities while expanding its business. We are dedicated to building sustainable relationships with customers, suppliers, employees, investors, the government, and other stakeholders in the society. The Company actively promotes green finance practices. In March 2023, we issued green asset-backed securities (ABS) on the Shenzhen Stock Exchange to facilitate de-carbonization of industrial chains. We continue to advance inclusive financial services, offering customized doorstep services to users in remote areas to meet their travel and logistics needs. We have engaged in agricultural assistance activities in places like Mengyin County in Shandong and Panzhihua in Sichuan to promote rural revitalization. Additionally, we have sustained long-term collaboration with the Shanghai Changning Charity Foundation and the Adream Foundation to support educational public welfare. The Group continuously strengthens its cultural foundation. In October 2023, we conducted the fourth leg of the "Red Homeland Walk" learning experience in Jinggangshan, enhancing team cohesion and providing strong moral support for corporate development.

The Company steadfastly adheres to a high-quality development strategy and continuously enhances its growth potential. Over the past few years, we have focused on new energy and financial technology as key strategic areas, achieving significant results in 2023:

NEV (ELECTRIC VEHICLE)

During the Reporting Period, our financed NEV transactions increased to 116 thousand units, representing a year-on-year increase of 206%. The proportion of NEV financing amount in our new car business has continually increased, reaching 33% in the second half of 2023. We have actively pursued strategic collaborations with OEM brands. As of December 31, 2023, we have established partnerships with over ten emerging NEV manufacturers and 25 traditional joint venture OEMs in the NEV sector. In 2023, we adjusted our product access criteria for NEV financing to adapt to market demands, and introduced innovative vehicle-battery separation leasing products. Supported by strong industrial policies, the NEV industry is becoming a key driver in the transformation and upgrade of China's automotive industry. With further improvements in charging and battery swapping infrastructure, the NEV market is poised for expansion, particularly in lower-tier markets. Beyond deepening our NEV financial services, the Group also seeks to broaden our industrial ecosystem by exploring areas like autonomous driving and fleet management through industrial investments and strategic partnerships.

FINTECH (SAAS)

During the Reporting Period, financing transactions facilitated by our FinTech model reached RMB10.2 billion, marking an explosive growth. Our FinTech platform aims to empower the entire auto finance industry chain and enhance the industry's level of digitalization. The platform connects car manufacturers, financial institutions and consumers to provide comprehensive automotive retail financial solutions. Our collaborations with premium brands and city commercial banks have strengthened our outreach to high-end customer segments and solidified our regional service implementation. In 2023, the number of our contracting FinTech business institutions further increased, with nine new collaborative projects being launched. The SaaS system architecture has continuously evolved, with core business systems for auto finance, operation management systems, and customer management tools being further enhanced and optimized. It accommodates various transaction modes like loan facilitation, joint leasing, and caters to diverse business types such as new cars, used cars, and scenario-based installments. It supports both cloud-based and local deployment options, thereby broadening our technological products' accessibility within the industry. In the long term, this model will expand Yixin Group's serviceable market from specific niches to the entire automobile consumer finance market. We anticipate that our SaaS business will maintain rapid growth over the next 2 to 3 years.

In recent years, the global automotive industry has undergone profound changes, with more Chinese car manufacturers turning their focus to overseas markets, and actively participating in global competition through exports, investments, and technical collaborations. At this juncture, Yixin Group recognizes the materializing trend of international expansion of Chinese enterprises, and believes that active expansion into overseas markets will bring new development opportunities and growth momentum. Currently, our focus is on regional economies with significant market size and growth potential, such as Southeast Asia and the Middle East. We are committed to integrating industrial chain resources, replicating domestically developed experiences and capabilities in more overseas markets, and exploring various innovative business models through localization strategies.

In 2023, large-language model emerged as a major global technological trend, with AI exerting a profound impact on various industries. As a leading internet platform in our field, Yixin consistently keeps abreast of the times, investing actively in digital technologies to provide users with convenient and efficient services and management with reliable and intelligent decision-making tools. For instance, the Company's self-developed Titan cloud platform, featuring smart outbound calling, intelligent customer service, remote review, and smart quality inspection functions, empowers various business segments like marketing, risk control, customer service, and debt collection. Looking forward, the Company will continue to explore cutting-edge technologies, accelerating our progress towards "Yixin 3.0".

Looking forward to 2024, China's macroeconomic landscape is expected to continue advancing amid ongoing momentum shifts and structural reforms, although the overall growth rate may slightly decelerate. In the automotive industry, the competitive landscape will continue to evolve, with the distribution segment likely to face ongoing pressure. With over a decade of experience and engagement in automobile financial services, Yixin Group has learned that ensuring safety and compliance is paramount to long-term success. We remain committed to prudent development in our domestic operations and are keen to explore the international markets.

The Board is delighted to propose the continuation of final dividend payments as a gesture of gratitude to the Shareholders for their unwavering support and to provide them with direct returns. We recommend a final dividend of HK3.00 cents per share, representing approximately 30% of our net profit per share for the Reporting Period. The proposed dividend is subject to shareholder approval at the Annual General Meeting. It is anticipated that the final dividend will be distributed on Monday, June 3, 2024 to Shareholders whose names appear on the register of members of the Company on Tuesday, May 21, 2024.

Finally, on behalf of the Group, I extend my heartfelt thanks to our customers and partners, as well as my deep appreciation for the commitment and contributions of our employees and management team. I am also grateful for the trust and support from our Shareholders and stakeholders.

Andy Xuan Zhang
Chairman of the Board
Hong Kong
February 29, 2024

MANAGEMENT DISCUSSION AND ANALYSIS

MACROECONOMIC ENVIRONMENT

Over the past year, China has made a gradual recovery from the pandemic and achieved overall stability in its macro socio-economic landscape. As per data from the National Bureau of Statistics of China, the country's Gross Domestic Product (GDP) in 2023 experienced a growth of 5.2%. While the Chinese economy is experiencing a rebound, it is confronted with a range of challenges, including real estate market risks, an aging population, and sustaining the momentum of technological innovation. Beyond these domestic challenges, China's economic progression also faces complications due to intensifying international political dynamics.

Sector-wise, while consumer spendings have shown moderate recovery, insufficient momentum leads to persistently low levels of price indices. There is polarization in fixed asset investment growth, with real estate investment being the most substantial burden. Trade growth has declined, albeit with some structural improvement. Monetary and fiscal policies have played a counter-cyclical role to a certain extent. On the whole, China's macroeconomy has entered the post-pandemic development phase. The country boasts numerous fundamental strengths, such as its large population, unified market environment, diverse industrial sectors, and stable social development. However, unlocking further potential in China's economic growth hinges on deepening the "reform and opening up" policies, including accelerating the shift from old to new growth drivers, reducing wealth disparity, and establishing long-term mechanisms that support innovation.

In this context, the Chinese automotive industry, which is undergoing transformation and upgrade, is positioned to offer further support and vitality to the economy. Domestic brands are leading new energy vehicle (NEV) technological innovations. Automotive consumption in rural areas have been driving the rural economic development, and the rapid growth in automotive exports have boosted trade openness. These industry trends all align with the national strategy for high-quality development, and contribute to enhancing both the quality and reasonable growth of the economy, hence fostering China's modernization.

INDUSTRY OVERVIEW

In 2023, China's automotive industry made crucial strides in its transformation and upgrade, showcasing a robust growth trend. NEVs continued to dominate the market, with automobile exports reaching new heights. Amid intensifying market competition and reshaping of the industry landscape, new car sales exceeded expectations. According to the China Association of Automobile Manufacturers (CAAM), the total sales of new passenger vehicles in China for 2023 amounts to 26.06 million units, representing an increase of 11% compared to 2022. In the used car segment, backed by policy implementations across regions and gradual restoration of market confidence, the industry accelerated its development pace. Data from the China Automobile Dealers Association (CADA) indicates that the total transaction volume of used passenger cars in China reached 14.78 million units in 2023, representing a growth of 15% compared to 2022.

NEVs is a focus of the automotive industry in 2023, with rapid technological innovation and the gradual clarity of the impact of the "80-20" rule. The expanding range of products from major brands boosted consumer recognition and acceptance. Concurrently, significant advancements in charging and battery-swapping infrastructure have provided consumers with more convenient, diverse, and safe energy solutions. Driven by these factors, the consumers' fervor for NEVs remained high, with the domestic retail penetration rate reaching 40% by December 2023. China Passenger Car Association (CPCA) reported that NEV retail sales in 2023 amounted to 7.74 million units, representing a year-on-year increase of 36% compared to 2022.

Auto finance services, crucial for promoting comprehensive automobile consumption, form an integral part of the industry ecosystem. Although China's auto finance market currently faces challenges such as a complex competitive environment and limited innovation space, it embodies substantial growth potential, based on the past experiences of developed markets in Europe and America. With ongoing advancements in electrification and intelligent technologies, new auto finance service scenarios are emerging in the aftermarket, demanding more diversified and personalized solutions. Industry participants are exploring new business models centered around the 'automobile ecosystem,' with companies equipped with one-stop solutions and digital technologies better positioned to capitalize on market opportunities promptly.

In 2023, China surpassed Japan to become the world's largest automobile exporter for the first time, marking a new stage of development for its automotive industry. According to CAAM, China's total automobile exports in 2023 amounted to 4.91 million units, with NEVs comprising approximately 25% of this figure. NEVs have become a significant driver of China's automotive export growth. The industry's global expansion is comprehensive, encompassing not only whole vehicle exports but also the internationalization of components supply chains and the acceleration of auto finance services. This all-encompassing export strategy enhances China's global competitiveness in the automotive sector, and promotes the sustainable development of its automotive industry in the global market.

POLICY STIMULUS

In 2023, the central and local governments in China implemented numerous policies supporting the automobile industry's development and stimulating automobile consumption, providing substantial support for the industry's recovery, transformation, and upgrade.

For new vehicles, the National Development and Reform Commission (the "**NDRC**") released the "Measures on Restoring and Expanding Consumption" (《關於恢復和擴大消費的措施》) (the "**Measures**") in July 2023. The Measures specifically proposed optimizing automobile purchase restrictions based on local conditions and enhancing financial support for automobile purchases. In August 2023, the Ministry of Industry and Information Technology (MIIT), along with six other departments, issued the "Work Plan for Stable Growth of the Automobile Industry (2023-2024)" (《汽車行業穩增長工作方案(2023 – 2024年)》) (the "**Work Plan**"). The Work Plan recognized the automobile industry's pivotal role as a stabilizing force in the national economy and advocated for its continued stable growth. Additionally, local governments introduced a series of policies, further stimulating automobile consumption through replacement subsidies, consumer vouchers, and other measures.

Regarding used vehicles, during the State Council executive meeting in May 2023, the comprehensive plan for establishing a unified national market (研究落實建設全國統一大市場部署總體工作方案和近期舉措) was discussed. The discussion highlighted positive progress that has been made in key areas, including the full abolition of used vehicle relocation restrictions and the advancement of a unified and open transportation market. In August 2023, the Traffic Management Bureau of the Ministry of Public Security specified in "Several Measures for Public Security Organs to Serve and Guarantee High-quality Development" (《公安機關服務保障高質量發展若干措施》) the need to facilitate used vehicle transfer registrations and implement the policy of lifting relocation restrictions. Both the Measures and the Work Plan are applicable to the used vehicle sector, emphasizing the importance of fluid market circulation and supporting the large-scale development of used vehicles industry.

New Energy Vehicle (NEV) is a key focus for the high-quality development of China's automobile industry. In June 2023, the Ministry of Finance, the General Administration of Taxation, and MIIT published the "Announcement on Continuing and Optimizing the Vehicle Purchase Tax Relief Policies for NEVs" (《關於延續和優化新能源汽車車輛購置税減免政策的公告》), extending and optimizing policies in two stages to bolster NEV consumption. In the same month, the General Office of the State Council issued the "Guidance on Further Building a High-quality Charging Infrastructure System" (《關於進一步構建高質量充電基礎設施體系的指導意見》), proposing the construction of an extensive, well-structured, and fully-functional high-quality charging infrastructure system by 2030. In November 2023, the NDRC and four other departments issued the "Opinions on Accelerating the Establishment of Product Carbon Footprint Management System" (《關於加快建立產品碳足跡管理體系的意見》), focusing on green bulk consumption such as NEVs, and promoting orderly implementation of carbon labeling in the consumer goods sector.

A package of auto finance policies was introduced to further standardize the market and meet consumer demands. In August 2023, the Ministry of Commerce, NDRC, and the National Financial Regulatory Administration jointly published the "Guidance on Promoting the High-quality Development of the Commercial Credit System Construction" (《關於推動商務信用體系建設高質量發展的指導意見》), promoting enhanced support for consumer automobile purchases and continuous optimization of interest rates and fees. Nine ministries and commissions, including the Ministry of Commerce, issued the "Guidance on Promoting the High-quality Development of the Automobile Aftermarket" (《關於推動汽車後市場高質量發展的指導意見》) in October 2023, encouraging financial institutions to optimize automobile consumption financial services within legal and risk-controlled frameworks. In October 2023, the National Financial Regulatory Administration released the "Notice on Financial Support for Restoring and Expanding Consumption" (《關於金融支持恢復和擴大消費的通知》), which included proposals to expand automobile consumption, optimize auto loan policies, and enrich auto finance product offerings.

Policy support was also extended to the international expansion of the automobile industry chain. In April 2023, the General Office of the State Council issued the "Opinions on Promoting the Stable Scale and Excellent Structure of Foreign Trade" (《關於推動外貿穩規模優結構的意見》), emphasizing the need to foster automobile export advantages and encourage financial support for automotive enterprises abroad. In July 2023, the State Council, in the "Opinions of the Central Committee of the Communist Party of China and the State Council on Promoting the Development and Strengthening of the Private Economy" (《中共中央國務院關於促進民營經濟發展壯大的意見》), affirmed its support for private enterprises to expand their overseas businesses, actively participate in the Belt and Road Initiative, and adhere to local laws and regulations while enhancing international competitiveness. In September 2023, the Ministry of Commerce, at a State Council Information Office press conference, announced preparations to introduce several policies and measures to support NEV trade cooperation, used vehicle exports, and the construction of overseas warehouses.

BUSINESS REVIEW

Yixin Group is a leading internet-based automotive finance transaction platform in China, primarily engaged in transaction platform business and self-operated financing business. The Group collaborates with over 36,000 automobile manufacturers, dealers, and over 100 financial institutions, covering more than 340 cities in China. With nearly a decade of dedication in the automotive industry, the Group provides comprehensive automotive financial services. By leveraging diverse business models, rich customer acquisition channels, robust financing capabilities, and integrated risk management, our aim is to provide a one-stop solution for our clients. The Group covers both new and used car financing businesses, addressing customers' various needs throughout the entire lifespan of vehicles.

In 2023, despite the complexities of the macro environment and intensified competition in the industry, the Group steadfastly implemented a strategy of consistent progress to achieve stable business growth. During the Reporting Period, our core business achieved robust growth, showcasing particularly impressive performance in new energy vehicle financing services. Our Fintech business has made expected progress, consistently refining product development and bolstering our industrial partnerships. Additionally, innovative value-added services have given us a differentiated competitive advantage, further enhancing the overall customer experience. In summary, our Group has achieved encouraging operational results during the Reporting Period.

AUTO FINANCING TRANSACTIONS

	Year ended December 31,					
	2023		2022		Year-on-year	
	Number of financing transactions	**Financing amount**	Number of financing transactions	Financing amount	Number of financing transactions	Financing amount
	'000	***RMB'000***	*'000*	*RMB'000*	*%*	*%*
New vehicles	**399**	**40,205,373**	265	25,617,014	51%	57%
Used vehicles	**279**	**25,744,014**	291	27,378,930	-4%	-6%
Total	**678**	**65,949,387**	556	52,995,944	22%	24%
NEV(1)	**116**	**12,405,367**	38	4,130,244	206%	200%

Note:

(1) NEV encompasses both new and used vehicles

Our total financing transactions increased by 22% year-on-year to 678 thousand for the Reporting Period, compared to 556 thousand for the same period last year. The total financing amount increased by 24% year-on-year to RMB65.9 billion for the Reporting Period, compared to RMB53.0 billion for the same period last year.

During the Reporting Period, the domestic macroeconomy has gradually recovered. However, it is important to note that there are still elements of volatility. The Chinese automotive market has shown an increasing trend, but competition has intensified simultaneously. In light of the fluctuations in the macroeconomic environment and market competition, the Group has proactively adjusted its risk strategy. This includes expanding the risk appetite range for new cars and reducing the risk exposure for used cars, as the high-risk business segment tends to be more vulnerable in such conditions. This initiative laid a solid foundation for our future performance.

Our new vehicle financing transactions increased by 51% year-on-year to 399 thousand for the Reporting Period, compared to 265 thousand for the same period last year. The financing amount increased by 57% year-on-year to RMB40.2 billion for the Reporting Period, compared to RMB25.6 billion for the same period last year. During the Reporting Period, three fundamental factors have driven substantial growth in our new vehicle financing business. Firstly, we have established new partnerships and deepened cooperation with OEMs, particularly focusing on collaborations with new energy vehicle brands. Secondly, the gradual intensification of price competition in the market has prompted more OEMs to adopt direct price reductions instead of traditional interest subsidies. This benefits third-party players like Yixin, enabling us to compete on an equal footing with OEM finance. Finally, the Group has optimized products, ensuring that they not only meet the demands of customers in the lower-tier markets but also cater to the needs of high-quality customers.

Our used vehicle financing transactions decreased by 4% year-on-year to 279 thousand for the Reporting Period, compared to 291 thousand for the same period last year. We have taken additional precautionary measures to scale back high-risk products and strengthen risk control in the application process to ensure the asset quality and stable development of our used car business. As a result, the proportion of our used vehicle financing business in our total vehicle financing transactions decreased to 41%. In comparison to many developed countries, there is still considerable space for improvement within the Chinese used car market, such as information transparency and vehicle standardization. With the support of a sound policy environment, we are confident that the Chinese used car financing market remains an attractive prospect. As a leading player in this field, Yixin will seize the opportunity to better serve mainstream customers in this sector.

Our NEV financing transactions significantly increased by 206% year-on-year to 116 thousand for the Reporting Period, compared to 38 thousand for the same period last year. The NEV financing amount increased by 200% year-on-year to RMB12.4 billion for the Reporting Period, compared to RMB4.1 billion for the same period last year. In the Reporting Period, our NEV financing amount for new vehicles accounted for 28% of our total new vehicle financing amount. The rise of new energy vehicles has revolutionized automotive sales pattern, with many OEMs, especially those focusing on new energy vehicles, embracing a direct-to-customer approach instead of relying solely on the traditional dealer sales channels. Therefore, collaborating with a broader range of OEMs has become a crucial strategy in our NEV financing business. This approach expands our service footprint and enhances our influence in the industry. As of December 31, 2023, over 10 emerging NEV brands significantly contributed to our new energy vehicle business, while 25 traditional OEMs also actively explored the new energy sector in collaboration with us. The Group also focuses on product adjustments and innovations to adapt to the changing market. For product adjustments, we have optimized various aspects, including interest rate and repayment mode, to enhance product competitiveness. For product innovations, we have introduced battery leasing, battery GAP insurance, etc., to provide customers with comprehensive life cycle services. Driven by supportive policies and continuous improvements in infrastructure, we firmly believe there is a substantial market potential for NEV industry. The Group is committed to further exploring and deepening its involvement in the new energy industry value chain.

SAAS SERVICES

Our Fintech (SaaS) business continues to experience rapid growth and is expected to become one of the primary drivers of the company's performance in the future. The Group recorded promising results with a revenue of RMB463 million during the Reporting Period, representing a 280% increase compared to the same period of 2022. Leveraging its profound experience in auto financing services, we primarily provide technology applications and technology-enabled business solutions to OEMs, financial institutions, and other third-party tech companies. Our technology products, including Intelligent Risk Management, Core Asset Management Systems etc., are integrated into customized modules and supplied to clients through our Fintech platform to meet their specific requirements. These modules are compatible with various business types, including automotive finance scenarios, consumer finance scenarios etc., supporting both cloud-based and local deployments. Our SaaS business transaction amount significantly increased year-on-year to RMB10.2 billion for the year ended December 31, 2023.

In 2023, the Group expanded its network of industrial partnerships by launching 9 new projects, such as BANK OF HEBEI. Additionally, the Group expanded its customer base and deepened its cooperation with existing partners. During the Reporting Period, we engaged in cooperative negotiations with various types of OEMs, especially focusing on new energy brands. The leading brands like Li Auto, are expected to be integrated into our project pipeline. In new car financing under our SaaS model, the penetration rate of NEV reached 40% for the Reporting Period. Additionally, we strengthened our collaboration with city commercial banks and foreign financial institutions, with BANK OF SUZHOU and Fubon Bank (China) being prime examples. This collaboration assists those financial institutions in reducing barriers to entry into the automotive financing market. Furthermore, we are also laying a solid cooperative foundation for the future development of our financing business overseas based on our alliances with these foreign financial institutions.

The Group will persist in leveraging its strengths and maintaining high-speed development within the next couple years. Firstly, the Group will intensify collaborations with industry players, especially incorporating more popular brands into our pipeline and expanding the types of institutions to reach high-end customer segments. Secondly, with the ongoing advancement of various AI technologies, our team will dedicate to enhance key functionalities in our SaaS integrated with customized modules. Finally, our technology products will progressively embrace the entire automotive consumer finance market and try to expand from domestic markets to the overseas sector.

VALUE-ADDED SERVICES

In 2023, we sustained solid development in our value-added services, with revenue of RMB225 million, representing an increase of 23% compared to the same period last year. In addition to offering a wide range of conventional products and services, such as GPS, maintenance packages, and more, we are constantly innovating our products to meet customer demands. There are two key projects that deserve mention. The first one involves assisting customers in connecting with insurance companies to mitigate the risk of power battery degradation in electric vehicles through battery GAP products. During the Reporting Period, the number of battery GAP transactions recorded amount to approximately 6.8 thousand. The second one is our insurance renewal service, which is available for our partners through the online store and provides a seamless car insurance service experience for both contractual and existing customers. In the future, we will continue to explore new scenarios for value-added services to offer comprehensive life cycle services for our car users.

NON-IFRSs FINANCIAL MEASURES

To supplement our consolidated financial statements, which are prepared in accordance with the IFRSs, certain additional non-IFRSs financial measures (in terms of adjusted operating profit and adjusted net profit) have been presented in this announcement. These unaudited non-IFRSs financial measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with the IFRSs. We believe that these non-IFRSs measures provide additional information to investors and others in understanding and evaluating our consolidated financial information of operations in the same manner as they help our management compare our financial results across accounting periods and with those of our peer companies. In addition, these non-IFRS financial measures may be defined differently from similar terms used by other companies.

Adjusted operating profit eliminates the effect of certain non-cash items and one-time events, namely fair value changes arising from investee companies, amortization of intangible assets resulting from asset and business acquisitions and share-based compensation expenses ("**Adjusted Operating Profit**"). Adjusted net profit eliminates the effect of the aforesaid items and any related tax impact ("**Adjusted Net Profit**"). The terms Adjusted Operating Profit and Adjusted Net Profit are not defined under the IFRSs. The use of Adjusted Operating Profit and Adjusted Net Profit has material limitations as an analytical tool, as they do not include all items that impact our profit for the relevant periods. The effect of items eliminated from Adjusted Operating Profit and Adjusted Net Profit is a significant component in understanding and assessing our operating and financial performance.

In light of the foregoing limitations for Adjusted Operating Profit and Adjusted Net Profit, when assessing our operating and financial performance, you should not view Adjusted Operating Profit in isolation or as a substitute for our operating profit, nor should you view Adjusted Net Profit in isolation or as a substitute for our net profit or any other operating performance measure that is calculated in accordance with IFRSs. In addition, because these non-IFRSs measures may not be calculated in the same manner by all companies, they may not be comparable to other similarly titled measures used by other companies.

The following tables reconcile our Adjusted Operating Profit and Adjusted Net Profit for the periods presented to the most directly comparable financial measures calculated and presented in accordance with the IFRSs. Adjusted Operating Profit and Adjusted Net Profit are not required by, or presented in accordance with the IFRSs.

ADJUSTED OPERATING PROFIT

	Year ended December 31, 2023 *RMB'000*	2022 *RMB'000*
Operating profit	**689,258**	400,024
Add:		
Fair value changes arising from investee companies	**84,190**	9,927
Amortization of intangible assets resulting from asset and business acquisitions	**242,693**	210,617
Share-based compensation expenses	**74,750**	134,534
Adjusted operating profit	**1,090,891**	755,102

Our adjusted operating profit was RMB1,091 million for the Reporting Period, compared to RMB755 million for the year ended December 31, 2022. The increase was mainly due to the increase in revenue.

ADJUSTED NET PROFIT

	Year ended December 31, 2023 *RMB'000*	2022 *RMB'000*
Net profit	**554,958**	370,814
Add:		
Fair value changes arising from investee companies	**51,827**	1,232
Amortization of intangible assets resulting from asset and business acquisitions	**242,602**	210,471
Share-based compensation expenses	**60,663**	105,821
Adjusted net profit	**910,050**	688,338

Our adjusted net profit was RMB910 million for the Reporting Period, compared to RMB688 million for the year ended December 31, 2022. The increase was mainly due to the increase in revenue.

YEAR ENDED DECEMBER 31, 2023 COMPARED TO YEAR ENDED DECEMBER 31, 2022

The following table sets forth the comparative figures for the years ended December 31, 2023 and 2022.

	Year ended December 31,		
	2023	2022	Year-on-year
	RMB'000	*RMB'000*	*%*
Revenues	**6,685,971**	5,201,508	29%
Cost of revenues	**(3,438,823)**	(2,313,137)	49%
Gross profit	**3,247,148**	2,888,371	12%
Selling and marketing expenses	**(1,329,357)**	(1,218,335)	9%
Administrative expenses	**(351,506)**	(430,061)	-18%
Research and development expenses	**(193,858)**	(192,045)	1%
Credit impairment losses	**(728,733)**	(790,296)	-8%
Other income and other gains, net	**45,564**	142,390	-68%
Operating profit	**689,258**	400,024	72%
Finance cost, net	**(15,175)**	(9,769)	55%
Share of profits of investments accounted for using the equity method	**34,741**	15,236	128%
Profit before income tax	**708,824**	405,491	75%
Income tax expense	**(153,866)**	(34,677)	344%
Profit for the period	**554,958**	370,814	50%
Non-IFRSs measure			
Adjusted operating profit	**1,090,891**	755,102	44%
Adjusted net profit	**910,050**	688,338	32%

REVENUES

Our total revenues increased by 29% year-on-year to RMB6,686 million for the Reporting Period, compared to RMB5,202 million for the year ended December 31, 2022. Both self-operated financing business and transaction platform business have grown. Our new core services revenues, which include revenues from loan facilitation services, SaaS services and new self-operated transactions during the Reporting Period, increased by 25% year-on-year to RMB4,664 million, compared to RMB3,732 million for the year ended December 31, 2022. The following table sets forth the comparative figures for the years ended December 31, 2023 and 2022.

	Year ended December 31,				
	2023			2022	
	RMB'000	***% of total revenues***	***Year-on-year***	*RMB'000*	*% of total revenues*
Revenues					
Transaction platform business					
Loan Facilitation Services	**3,445,250**	**52%**	**9%**	3,153,649	61%
SaaS Services	**462,679**	**7%**	**280%**	121,614	2%
Other Platform Services	**1,188,642**	**17%**	**68%**	708,996	14%
Guarantee services	**963,216**	**14%**	**83%**	525,192	10%
Value-added services	**225,426**	**3%**	**23%**	183,804	4%
Subtotal	**5,096,571**	**76%**	**28%**	3,984,259	77%
Self-operated financing business					
Financing Lease Services	**1,570,398**	**23%**	**32%**	1,188,496	22%
From new transactions during the period	**755,808**	**11%**	**66%**	456,650	8%
From existing transactions in prior periods	**814,590**	**12%**	**11%**	731,846	14%
Other Self-operated Services[(1)]	**19,002**	**1%**	**-34%**	28,753	1%
Subtotal	**1,589,400**	**24%**	**31%**	1,217,249	23%
Total	**6,685,971**	**100%**	**29%**	5,201,508	100%

Note:

(1) Include revenues from operating lease services, automobile sales and other revenues.

Transaction platform business

Revenues from our transaction platform business increased by 28% year-on-year to RMB5,097 million for the Reporting Period, compared to RMB3,984 million for the year ended December 31, 2022, mainly due to the increase in revenue of our SaaS services and guarantee services. Our transaction platform business contributed 76% of total revenues for the Reporting Period, compared to 77% for the year ended December 31, 2022.

Revenues from our loan facilitation services increased by 9% year-on-year to RMB3,445 million for the Reporting Period, compared to RMB3,154 million for 2022, mainly due to the increase in total transaction amounts.

Revenues from our SaaS services increased by 280% year-on-year to RMB463 million for the Reporting Period, compared to RMB122 million for 2022, contributing 7% of total revenue in 2023, compared to 2% for the year ended December 31, 2022. Through SaaS services, we assisted financial institutions to strengthen their risk control capabilities and product experience in auto finance business. Given that we have deployed more resources for our FinTech business, we have facilitated transactions in the amount of more than RMB10 billion through SaaS model for the Reporting Period.

Revenues from our other platform services increased by 68% to RMB1,189 million for the Reporting Period, compared to RMB709 million for the year ended December 31, 2022, mainly due to the increase in revenue from guarantee services and value-added services. Our revenue from guarantee services was RMB963 million for the Reporting Period, increased by 83% from RMB525 million for the year ended December 31, 2022, mainly due to the increase in the number of customers with guarantees. During the Reporting Period, the revenue generated from value-added services reached RMB225 million, which increased by 23% from RMB184 million for the year ended December 31, 2022.

Self-operated financing business

Revenues from our self-operated financing business increased by 31% year-on-year to RMB1,589 million for the Reporting Period, compared to RMB1,217 million for 2022, primarily due to the increase in revenues from new financing lease transactions during the Reporting Period.

Revenues from our financing lease services increased by 32% year-on-year to RMB1,570 million for the Reporting Period, compared to RMB1,188 million for the year ended December 31, 2022, due to the increase in net finance receivables. The average yield of our net finance receivables[(1)] was 8.2% for the Reporting Period, compared to 9.3% for the year ended December 31, 2022. In view of the current economy and overwhelming competition in automotive industry, the Group conducted more new vehicle transactions, which were generally with higher-tiered customers with lower loss rates, in order to achieve a better post-loan performance of the portfolio. During the Reporting Period, the proportion of new car business in our self-operated financing business increased, and the interest rates for new car business were generally lower than those for used car business. As a result, the average yield of our total net finance receivables decreased.

Note:

(1) Revenues from financing lease services divided by quarterly average balance of net finance receivables.

COST OF REVENUES

For the Reporting Period, the Group's cost of revenues was RMB3,439 million, representing an increase of 49% compared to RMB2,313 million for the year ended December 31, 2022, primarily due to the increase in commissions associated with transaction platform business, and funding costs associated with self-operated financing services. Commissions increased to RMB2,545 million from RMB1,711 million in 2022, mainly due to the rising competition in the industry. Funding costs increased to RMB782 million from RMB492 million in 2022, resulting from increasing borrowings to support the growth of our self-operated financing business. The following table sets out the cost details of each business type during the period shown:

	Year ended December 31,				
	2023			2022	
	RMB'000	***% of total cost***	***Year-on-year***	*RMB'000*	*% of total cost*
Cost of revenues:					
Transaction platform business	**2,616,234**	**76%**	**47%**	1,777,576	77%
Self-operated financing business	**822,589**	**24%**	**54%**	535,561	23%
Total	**3,438,823**	**100%**	**49%**	2,313,137	100%

GROSS PROFIT AND MARGIN

	Year ended December 31,			
	2023		2022	
	RMB'000	***Margin***	*RMB'000*	*Margin*
Segment gross profit and gross profit margins				
Transaction platform business	**2,480,337**	**49%**	2,206,683	55%
Self-operated financing business	**766,811**	**48%**	681,688	56%
Total	**3,247,148**	**49%**	2,888,371	56%

For the Reporting Period, the Group's gross profit was RMB3,247 million, representing an increase of RMB359 million or 12% compared to RMB2,888 million for the year ended December 31, 2022. For the Reporting Period and the year ended December 31, 2022, the Group's gross profit margin was 49% and 56%, respectively.

Transaction platform business

For the Reporting Period, the gross profit margin of our transaction platform business was 49%, which decreased from 55% for the year ended December 31, 2022, mainly due to the pressure from customers' deleveraging behavior and increased commissions during the Reporting Period.

Self-operated financing business

The gross profit margin of our self-operated financing business was affected by the change of net interest income and net interest margin. The following table sets forth the interest income, funding costs, net interest income, and net interest margin during the periods indicated below.

	2023	2022	*Change %*
Interest income	**1,570,398**	1,188,496	32%
Funding costs	**781,629**	492,397	59%
Net interest income	**788,769**	696,099	13%
Net interest margin[1]	**4.1%**	5.5%	-24%

For the Reporting Period, the net interest margin of the Group's self-operated financing business decreased to 4.1%, compared to 5.5% for the same period last year. The decrease was primarily due to the decrease of the average yield of our net finance receivables, and the increase of the average funding cost of our net finance receivables which was driven by a rising financial leverage of our self-operated financing business. The average cost rate[2] of the Group decreased to 4.9% for the Reporting Period, compared to 5.3% for the same period last year, mainly due to an upgrade in the Group's credit rating attributable to the continuous improvement of asset quality.

Notes:

(1) Calculated by dividing net interest income by quarterly average balance of net finance receivables.

(2) Calculated by dividing funding costs by quarterly average balance of interest-bearing liabilities.

SELLING AND MARKETING EXPENSES

Selling and marketing expenses increased by 9% year-on-year to RMB1,329 million for the Reporting Period, compared to RMB1,218 million for the year ended December 31, 2022, primarily due to the increase in amortization of intangible assets resulting from asset and business acquisitions, professional service fees, and partially offset by the decrease in salaries and share-based compensation expenses. Share-based compensation expenses for our sales and marketing personnel were RMB26 million for the Reporting Period, compared to RMB45 million for the year ended December 31, 2022. After eliminating the effect of certain non-cash items, namely amortization of intangible assets resulting from asset and business acquisitions and share-based compensation expenses, the selling and marketing expenses increased by 10% year-on-year to RMB1,061 million for the Reporting Period, compared to RMB964 million for the year ended December 31, 2022, which was lower than the increase in the number of financing transactions, indicating an improved efficiency.

ADMINISTRATIVE EXPENSES

Our administrative expenses decreased by 18% year-on-year to RMB352 million for the Reporting Period, compared to RMB430 million for the year ended December 31, 2022, primarily due to the decrease in provision for impairment of vehicles collected from financing lease customers and share-based compensation expenses. Share-based compensation expenses for our administrative personnel were RMB31 million for the Reporting Period, compared to RMB57 million for the year ended December 31, 2022. After eliminating the effect of certain non-cash items, namely amortization of intangible assets resulting from asset and business acquisitions and share-based compensation expenses, the administrative expenses decreased by 14% year-on-year to RMB320 million for the Reporting Period, compared to RMB373 million for the year ended December 31, 2022.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses increased by 1% year-on-year to RMB194 million for the Reporting Period, compared to RMB192 million for the year ended December 31, 2022. Share-based compensation expenses for our research and development personnel were RMB18 million for the Reporting Period, compared to RMB33 million for the year ended December 31, 2022. After eliminating the effect of certain non-cash item, namely share-based compensation expenses, research and development expenses increased by 11% year-on-year to RMB176 million for the Reporting Period, compared to RMB159 million for the year ended December 31, 2022, primarily due to the increase of research and development input in respect of the FinTech team.

CREDIT IMPAIRMENT LOSSES

Credit impairment losses include (i) provision for expected credit losses of finance receivables; (ii) provision for expected credit losses of risk assurance liabilities and loans recognized because of payment under risk assurance; and (iii) provision for impairment losses of trade receivables and other receivables. Credit impairment losses decreased by approximately 8% year-on-year to RMB729 million for the Reporting Period, compared to RMB790 million for the year ended December 31, 2022, which primarily resulted from:

(i) the decrease in the provision for expected credit losses of finance receivables. The provision for expected credit losses of finance receivables decreased to RMB294 million for the Reporting Period, compared to RMB475 million for the year ended December 31, 2022, which was mainly attributable to: (a) the decrease in the provision for impairment from RMB584 million for the year ended December 31, 2022 to RMB443 million for the Reporting Period, which was primarily due to the increase in the proportion of new car business, which has better post-loan performance, as well as the Group's improvement on asset management; and (b) the reversal of impairment generated by recoveries of finance receivables previously written off has increased from RMB109 million to RMB149 million, which was primarily caused by the recovery of the Group's collection methods which attributed to the decreasing impact of the COVID-19 pandemic in 2023;

(ii) the decrease in the provision for expected credit losses of risk assurance liabilities to RMB158 million for the Reporting Period, compared to RMB228 million for the year ended December 31, 2022, which was mainly due to the increase of the proportion of new car business, which has better post-loan performance, as well as the Group's improvement on asset management; and

(iii) the increase in the provision for expected credit losses of loans recognized as a result of payment under risk assurance to RMB251 million for the Reporting Period, compared to RMB52 million for the year ended December 31, 2022, which was mainly due to the increase of the loans recognized as a result of payment under risk assurance generated by the guarantee service in past years.

OTHER INCOME AND OTHER GAINS, NET

Our other income and other gains, net decreased by 68% year-on-year to RMB46 million for the Reporting Period, compared to RMB142 million for the year ended December 31, 2022. The decrease was primarily due to the decrease in other income from business cooperation agreements with Yusheng and the fair value changes arising from investee companies.

OPERATING PROFIT

Our operating profit for the Reporting Period was RMB689 million, compared to RMB400 million for the year ended December 31, 2022, mainly due to the increase in gross profit.

FINANCE COST, NET

Our finance cost, net for the Reporting Period was RMB15 million, compared to RMB10 million for the year ended December 31, 2022.

INCOME TAX EXPENSE

Our income tax expense was RMB154 million for the Reporting Period, compared to RMB35 million for the year ended December 31, 2022, primarily due to the increase of profits before income tax as well as the increase in the withholding tax in connection with the Group's plan to distribute retained earnings from a subsidiary in the PRC to its immediate holding company in Hong Kong.

PROFIT FOR THE PERIOD

Our profit was RMB555 million for the Reporting Period, compared to RMB371 million for the year ended December 31, 2022, due to the increase in gross profit.

DIVIDEND

The Board has recommended the payment of a final dividend of HK3.00 cents per Share for the year ended December 31, 2023 (2022: a final dividend and a special dividend of HK1.95 cents per Share and HK1.30 cents per Share, respectively). The total amount of the proposed final dividend is approximately HK$195.7 million (equivalent to approximately RMB177.6 million) (2022: the total amount of final and special dividends is approximately HK$212.0 million), which is based on 6,524,065,512 Shares in issue on February 29, 2024.

SELECTED FINANCIAL INFORMATION FROM OUR CONSOLIDATED BALANCE SHEET

	As at December 31,		
	2023	2022	Year-on-year
	RMB'000	*RMB'000*	*%*
Carrying amount of finance receivables	**23,884,879**	13,742,013	74%
Cash and cash equivalents	**3,479,550**	3,433,182	1%
Total borrowings	**23,155,782**	12,512,272	85%
Current assets	**21,266,259**	16,852,216	26%
Current liabilities	**15,990,417**	11,116,350	44%
Net current assets	**5,275,842**	5,735,866	-8%
Total equity	**15,765,170**	15,326,213	3%

FINANCE RECEIVABLES

We provide financing lease services in our self-operated financing business segment, and in return, customers pay us interest and principal monthly. Our carrying amount of finance receivables increased to RMB23.9 billion as at December 31, 2023, compared to RMB13.7 billion as at December 31, 2022.

The following table sets forth our net finance receivables and the amount of provision for expected credit losses and the corresponding provision to net finance receivables ratios as at the dates indicated:

	As at December 31,	
	2023	2022
	(RMB'000, except for percentage)	
Finance receivables, net (ending balance)	**24,639,182**	14,356,423
Provision for expected credit losses (ending balance)	**(754,303)**	(614,410)
Provision to net finance receivables ratio[1]	**3.06%**	4.28%

Note:

(1) Provision for expected credit losses divided by net finance receivables.

Maturity Profile

The following table sets forth the maturity profile of the net finance receivables as of the dates indicated:

	December 31, 2023		December 31, 2022	
	RMB'000	***% of total***	*RMB'000*	*% of total*
Maturity date				
Within 1 year	**9,618,946**	**39.04%**	6,688,699	46.59%
1 to 2 years	**6,665,509**	**27.05%**	4,783,210	33.32%
2 to 3 years	**4,530,717**	**18.39%**	2,109,692	14.70%
3 to 7 years	**3,824,010**	**15.52%**	774,822	5.39%
Total	**24,639,182**	**100.00%**	14,356,423	100.00%

Net finance receivables due within one year represent net finance receivables which the Group will receive within one year as of the reporting dates indicated. As of December 31, 2023, net finance receivables due within one year as set forth in the table above represented 39.04% of the Group's net finance receivables, which decreased as compared to the end of the previous year, primarily due to the increase of finance receivables with longer financing terms. In addition, with the stimulus and supportive policies of the auto industry, we facilitated approximately 184 thousand financed transactions through self-operated financing business for the Reporting Period, representing a 99% year-on-year increase in volume, which contributes to the increase of net finance receivables due after one year and beyond. The evenly distributed maturity of the Group's net finance receivables could provide the Group with healthy liquidity and sustainable cash inflows.

OFF BALANCE-SHEET LOANS

Under the arrangements with certain financial institutions for loan facilitation services, the Group is obligated to purchase the relevant loans upon certain specified events of default by car buyers. As of December 31, 2023, the total outstanding balance of loans funded by financial institutions under such arrangements was RMB47.6 billion. As of December 31, 2023, the risk assurance liabilities recognised by the Group under such financial guarantee contracts was RMB15.9 billion.

The asset performance of our financed transactions depends on our customer's repayment capability and willingness to pay. However, it is also affected by the uncertainties of the macro environment, which may change customer income status. The quality of the portfolio as well as the expected volatility ahead have been taken into consideration in the increase in our provision of finance receivables and risk assurance liabilities.

DAY PAST DUE RATIO

The following table sets forth past due ratios for all financed transactions through both our self-operated financing lease services and our transaction platform business to facilitate assessment of the overall quality of our financed transactions:

	December 31, 2023	December 31, 2022
Past due ratio:		
180+ days[(1)]	**1.49%**	1.49%
90+ days (including 180+ days)[(2)]	**1.89%**	1.92%

Notes:

(1) 180+ days past due net finance receivables from our self-operated financing lease services and past due outstanding loan balances from our loan facilitation service divided by total net finance receivables and outstanding loan balances.

(2) 90+ days (including 180+ days) past due net finance receivables from our self-operated financing lease services and past due outstanding loan balances from our loan facilitation service divided by total net finance receivables and outstanding loan balances.

As at December 31, 2023, our 180+ days past due ratio and 90+ days (including 180+ days) past due ratio for all financed transactions through both our self-operated financing lease services and loan facilitation services were 1.49% and 1.89%, respectively (December 31, 2022: 1.49% and 1.92%, respectively). The asset quality remained resilient due to the effective response we have taken along the business procedure. The Group proactively tightens the standards of customer approval considering the uncertainties of macro-economic environment in 2023. During the contract period, the Group continuously monitors and analyzes customer repayment behaviours. Through our newly launched early warning and decision-making engine, we could approach customers with misconduct at early stage.

Internal Control

The Company has developed comprehensive risk management and internal control systems to address the credit risks that the Company is exposed to, being the Company's principal exposure. The Company has implemented the credit assessment process, which focuses on a consumer's ability and willingness to pay its financial obligations, and developed our data-driven credit assessment system, which is tailored to our business model. Our credit assessment and approval policies are similar across our service categories or product lines. While applicants may choose different financing product offerings based on their different financing needs, all applicants go through a similar credit assessment and approval process governed by similar policies and receive credit decisions, regardless of the product lines being applied for. We implement similar credit risk management measures across our service categories or product lines, by actively monitoring historical past due ratio and continuously improving our data analytics capabilities, as well as executing post-financing management and loss recovery measures by leveraging the vehicle telematics systems installed on all automobiles financed by us. For details, please refer to "Business – Risk Management and Internal Control – Credit Risk Management" of the prospectus of the Company dated November 6, 2017.

Further, the Group implemented classification management of finance receivables that accurately reveals the asset risk profile and tracks the quality of assets primarily by obtaining information on the qualification of assets. On such basis, we have deployed management resources and efforts in a focused manner to effectively implement measures on classification management, and have strengthened risk expectation and the relevance of risk prevention to improve the ability to control asset risks.

We also continue to monitor and review the operation and performance of our risk management and internal control systems, and adapt to the changes in market conditions, our product and service offerings, and the regulatory environment. Since the listing of the Company on November 16, 2017, the Company has adopted a series of internal policies to further set out detailed procedures in relation to credit assessment and approval procedures, post-financing management and loss recovery.

Credit Assessment and Approval Procedures

Our credit assessment and approval procedures include: assessment and approval, request of settlement, and settlement.

Assessment and Approval

We use a holistic approach to implement our assessment and approval procedures, which consist of automatic preliminary assessment, screening, and manual assessment.

When an applicant submits an application through our online channels, we perform automated preliminary assessment based on the applicant's key information such as ID card and cell phone number through our anti-fraud system and credit scoring system. In the meantime, we will also check the applicant's credit report through the PBC Credit Reference Center and investigate any criminal track record from the public security system. The automatic assessment will yield a preliminary result on the creditworthiness of the applicant, based on which we will decide whether further manual assessment process is required. Our anti-fraud system and the credit scoring system collectively encompass over 40 models that analyze massive data including user profile, behavior data, credit data, consumption data and other information relating to the credit worthiness of applicants, as well as the specifics and valuation of the automobiles that the applicant is purchasing and the amount of down payment.

When an applicant submits an application through our network dealer, a service consultant will meet and communicate with the applicant face to face to form a preliminary judgment on the creditworthiness of the applicant, collect key information and required documents, and submit them to the Risk Management Center of the Company for assessment. We would conduct an automatic preliminary assessment based on the information and documents provided, as screening is not a standalone procedure during which we make credit assessment decisions.

After evaluating the results of automatic preliminary assessment, we will decide if additional information is needed to further assess the creditworthiness of the applicant. The information and documents we may need cover (i) information of the related automobile, (ii) credit profile of the applicant or the guarantor(s), if necessary, (iii) key leasing term including proper down-payment ratio, and (iv) completeness of the requested supporting documents and certificates. In addition, we may conduct telephone interviews or home visits in the manual assessment process, if necessary.

Request of Draw-down

We will not process the request of draw-down from an applicant unless each of the following requirements has been fulfilled:

- The automobile purchase agreement must be duly executed by the parties named in the approved application package.

- The invoice must be duly stamped. The transaction amount and the VIN on the invoice must be consistent with our records in the system.

- A valid repayment bank account must be available.

Draw-down of Loans

After a request of draw-down that satisfies our requirements has been duly processed, we will initiate the procedures for draw-down of the loan. We will not settle for an applicant unless each of the following requirements has been fulfilled:

- All the legal documents and agreements must have been duly signed with the witness by our own staff or the staff of the relevant dealership store and a photo of the onsite signing has been uploaded to our system.

- The underlying automobiles have been properly pledged to us, where appropriate.

- The required insurance policy and the vehicle telematics systems are in place.

Post-Financing Management

Our post-financing management process includes the following steps:

- Our post-financing management team will make welcome calls to our new consumers within 15 days after settlement in order to understand their customer experience as well as identify early stage of potential risks of delinquency.

- Our post-financing management team monitors the status of GPSs installed on the subject automobiles on a daily basis.

- In order to ensure that the consumers' repayments are on schedule, the post-financing service team will send reminders via text messages three days prior to the repayment due dates.

If any delinquency arises or we observed any abnormal behavior in consumers, we will initiate our collection process, which includes the following:

- our customer service team or outsourced call center team will remind the consumer of the repayment and send a collection notice to the said consumer within 10 days after the due date;

- our outsourced local collection specialists may conduct an on-site collection if there is any further delay;

- in the case of serious delinquency, based on the terms of the contract, we may investigate, monitor and track the automobile to re-possess the automobile directly and implement other necessary measures within the legal boundaries; and

- ultimately, we reserve the right to take legal action against the delinquent consumer.

Loss Recovery

Our asset management center is responsible for repossessing automobiles arising from overdue payments and disposing of such automobile via auction, consignment or re-acquisition. We will recover, minimise or mitigate our losses through such measures.

After our asset management center collects the automobile with the support of outsourced local collection specialists, it will assess the automobile condition and obtain proper third-party appraisal reports with respect to the automobile. We will enter into direct negotiation with the consumer to ascertain the possibility of re-acquisition of the automobile by the consumer. If the consumer waives the re-acquisition option or does not respond in time, the asset management center may assess the disposal value based on the relevant materials such as the used automobile appraisal reports. After the licenses and compliance status and the residual lease have been confirmed, the asset management center will initiate bidding for the repossessed automobile.

In the event that the financing receivable is overdue for 180 days, we may consider writing off the relevant receivable according to our leased assets impairment policy. Based on our past experience, we believe that financing receivables overdue for less than 180 days have viable likelihood of being collected, and we believe it is within industry practice to assess and consider writing off finance receivables that are past due for over 180 days.

CASH AND CASH EQUIVALENTS

As at December 31, 2023, our cash and cash equivalents amounted to RMB3,480 million, compared to RMB3,433 million as at December 31, 2022. The increase in cash and cash equivalents was mainly due to the improvement of profitability and working capital management.

As at December 31, 2023, RMB3,115 million of our cash and cash equivalents were denominated in RMB, compared to RMB2,793 million as at December 31, 2022.

Our net cash used in operating activities was RMB8.7 billion for the Reporting Period, compared to RMB2.0 billion for the year ended December 31, 2022, mainly due to the increase in cash outflow in new financing lease transactions.

BORROWINGS AND SOURCE OF FUNDS

By leveraging our leading industry position as well as prudent risk management track record, we obtained more recognition by financial institutions, and further expanded funding channels to support the funding needs of the Group.

As at December 31 2023, our total borrowings were RMB23.2 billion, compared to RMB12.5 billion, as at December 31, 2022. The increase was mainly due to the increase in the scale of business. Total borrowings were comprised of (i) asset-backed securities and asset-backed notes of RMB6.2 billion as at December 31, 2023; and (ii) bank loans and borrowings from other institutions of RMB17.0 billion. Asset-backed securities and asset-backed notes as a percentage of our total borrowings was 27% as at December 31, 2023.

As at December 31, 2023, Yixin, as the original owner and sponsor, has issued in aggregate 49 standardized products, totaling RMB50.8 billion, on the Shanghai Stock Exchange, National Association of Financial Market Institutional Investors, and Shanghai Insurance Exchange, etc. In response to the government's call of "Carbon Peaking" and "Carbon Neutrality", in March 2023, the first green ABS of the Group was successfully launched. In December 2023, Yixin successfully issued the industry's first dual-initiating institution joint model ABN. In 2023, Yixin set new historical lows for the issuance coupon rates on both its Asset-Backed Securities (ABS) and Asset-Backed Notes (ABNs), and it also introduced wealth management subsidiaries and insurance investors as new participants in the bond and asset securitization product market.

NET CURRENT ASSETS

Our net current assets decreased by 8% to RMB5,276 million as at December 31, 2023, compared to RMB5,736 million as at December 31, 2022. Our current assets were RMB21.3 billion as at December 31, 2023, compared to RMB16.9 billion as at December 31, 2022, primarily due to the increase of the current portion of finance receivables. Our current liabilities were RMB16.0 billion as at December 31, 2023, compared to RMB11.1 billion as at December 31, 2022, primarily due to the new borrowings.

TOTAL EQUITY

Our total equity increased to RMB15.8 billion as at December 31, 2023, compared to RMB15.3 billion as at December 31, 2022, primarily due to the net profit incurred during the Reporting Period.

	As at December 31,	
	2023	2022
Current ratio (times)(1)	**1.33**	1.52
Gearing ratio(2)	**53%**	31%
Debt to equity ratio (times)(3)	**1.47**	0.82

Notes:

(1) Current ratio is our current assets divided by our current liabilities at the end of each financial period.

(2) Gearing ratio is net debt divided by total capital at the end of each financial period. Net debt is calculated as total borrowings plus lease liabilities, less our cash and cash equivalents and restricted cash. Total capital is calculated as total equity plus net debt.

(3) Debt to equity ratio is total borrowings plus lease liabilities divided by total equity at the end of each financial period.

Current Ratio

Our current ratio decreased to 1.33 as at December 31, 2023, compared to 1.52 as at December 31, 2022, mainly due to the increase in the current portion of borrowings of the Group.

Gearing Ratio

Our gearing ratio increased to 53% as at December 31, 2023, compared to 31% as at December 31, 2022, mainly due to the increase in the net debt of the Group.

Debt to Equity Ratio

Our debt-to-equity ratio increased to 1.47 as at December 31, 2023, compared to 0.82 as at December 31, 2022, mainly due to the increase in total borrowings. The Group continues to maintain a good debt-paying ability and has further improved financial leverage while raising the return on assets.

CAPITAL EXPENDITURE AND INVESTMENTS

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Purchase of property and equipment and non-current assets	**30,184**	33,576
Prepayment for equity transactions	**384,000**	80,000
Purchase of intangible assets	**611**	3,024
Investments in financial assets at fair value through profit or loss	**226,790**	12,500
Investments in an associate in the form of ordinary shares	**54,000**	–
Total	**695,585**	129,100

FOREIGN EXCHANGE RISK

Our Group's subsidiaries primarily operate in the PRC and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the United States dollar and the Hong Kong dollar. Therefore, foreign exchange risk primarily arose from recognized assets and liabilities in our Group's PRC subsidiaries when receiving or to receive foreign currencies from, or paying or to pay foreign currencies to, overseas business partners. Certain forward contract and a cross currency interest swap arrangement were entered into during the Reporting Period for hedging purpose, although hedge accounting was not applied.

Details of the currencies in which cash and cash equivalents are held and in which borrowings are made are set out in Note 21 and Note 28 to the consolidated financial statements, respectively.

SIGNIFICANT INVESTMENTS HELD

On June 13, 2018, the Company and Yusheng, a company principally engaged in used automobile transaction business and an independent third party, entered into a convertible note purchase agreement (the "**Convertible Note Purchase Agreement**"), pursuant to which Yusheng agreed to issue, and the Company agreed to purchase, the convertible note (the "**Convertible Note**") in the principal amount of US$260 million (equivalent to approximately HK$2,040 million). The Convertible Note is interest free and convertible into 13 million non-voting Series Pre-A preferred shares of Yusheng with a par value of US$0.0001 per share (the "**Series Pre-A Preferred Shares**") at the conversion price of US$20.00 (equivalent to approximately HK$156.93). The Series Pre-A Preferred Shares convertible under the Convertible Note represent an interest of approximately 40.63% in the share capital of Yusheng assuming full subscription of the Series A-1 and Series A-2 preferred shares of Yusheng by the investors under the securities subscription agreement separately entered into by them with Yusheng and that all the equity securities which Yusheng intends to reserve for issuance pursuant to its future employee equity incentive plan have been issued. The Convertible Note will mature on June 12, 2038 (the "**Maturity Date**") or such later date as otherwise agreed by the Company and Yusheng. Unless converted into Series Pre-A Preferred Shares prior to the Maturity Date, the outstanding principal of the Convertible Note will be due and payable upon demand by the Company on the Maturity Date or any time thereafter.

As consideration for the subscription of the Convertible Note, the Company agreed to (i) pay a cash consideration of US$21 million (equivalent to approximately HK$165 million), and (ii) provide certain cooperation services to Yusheng and/or its affiliates pursuant to the terms of the business cooperation agreement dated June 13, 2018 entered into between the Company and Yusheng. For further details, please refer to the announcement of the Company dated June 13, 2018.

In November 2019 and December 2020, the Company subscribed for additional convertible note issued by Yusheng with a cash consideration of US$43 million (equivalent to approximately HK$335 million) and a cash consideration of US$12 million (equivalent to approximately HK$95 million), to further strengthen our cooperation relationship with Yusheng in used automobile business.

In July 2023, the Company subscribed for additional convertible note issued by Yusheng with a cash consideration of US$12 million (equivalent to approximately HK$94 million), to further strengthen our cooperation relationship with Yusheng in used automobile business.

Yusheng achieved significant growth during the Reporting Period with a year-on-year increase in the volume of its retail transactions of more than 76%. The number of Yusheng's self-operated used car retail stores reached 70 as at December 31, 2023, with locations in majority of the Tier-1 and Tier-2 cities in China. Yusheng also takes the lead in cooperation with NEV automobile manufacturers, such as NIO, XPeng, Li Auto, AVATR, SAIC Feifan (RISING AUTO), AITO and Smart.

As at December 31, 2023, the fair value of our investment in Yusheng was RMB2,523,091,000 (December 31, 2022: RMB2,333,977,000), which constituted 5.8% of the total assets of the Group (December 31, 2022: 7.3%). The Company did not receive any dividends in respect of its investment in Yusheng for the years ended December 31, 2023 and 2022, and there were unrealised gains of approximately RMB64,217,000 from changes in fair value arising from the investee company for the year ended December 31, 2023 (2022: RMB19,613,000).

Save as disclosed above, we did not hold any significant investments in the equity interests of any other companies for the Reporting Period.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in this announcement, we did not have other plans for material investments and capital assets.

EMPLOYEE AND REMUNERATION POLICY

Our success depends on our ability to attract, retain and motivate qualified personnel. As part of our retention strategy, we offer employees with competitive salaries, performance-based cash bonuses and other incentives. We primarily recruit our employees through recruitment agencies, on-campus job fairs, industry referrals, and online channels.

As at December 31, 2023, we had 4,231 full-time employees (December 31, 2022: 4,106). In line with the performance of the Group and individual employees, a competitive remuneration package is offered to retain employees, including salaries, discretionary bonuses, and contributions to benefit plans (including pensions). Employees of the Group are eligible participants of the Pre-IPO Share Option Scheme, the First Share Award Scheme and the Second Share Award Scheme, the details of which are set out in the Prospectus and Note 24 to the consolidated financial statements.

In addition to on-the-job training, we have adopted a training policy, pursuant to which various internal and external training courses are provided to our employees.

The total remuneration cost (including share-based compensation expenses) incurred by the Group for the Reporting Period was RMB945 million, compared to RMB1,014 million for the year ended December 31, 2022.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this announcement, the Group did not have any other material acquisitions and disposals of subsidiaries or associated companies for the Reporting Period.

PLEDGE OF ASSETS

Certain deposits placed with banks were used as pledged assets for the Group's bank borrowings and bank notes as well as loan facilitation services. Certain finance receivables were used as pledge for the borrowings and securitization transactions. For more details, please refer to the Note 21 and Note 28 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at December 31, 2023, we did not have any material contingent liabilities (December 31, 2022: nil).

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December 2023 RMB'000	2022 RMB'000
Revenues	5		
Transaction Platform Business		**5,096,571**	3,984,259
Self-operated Financing Business		**1,589,400**	1,217,249
		6,685,971	5,201,508
Cost of revenues	7	**(3,438,823)**	(2,313,137)
Gross profit		**3,247,148**	2,888,371
Selling and marketing expenses	7	**(1,329,357)**	(1,218,335)
Administrative expenses	7	**(351,506)**	(430,061)
Research and development expenses	7	**(193,858)**	(192,045)
Credit impairment losses	7	**(728,733)**	(790,296)
Other income and other gains, net	6	**45,564**	142,390
Operating profit		**689,258**	400,024
Finance cost, net	9	**(15,175)**	(9,769)
Share of profits of investments accounted for using equity method	15	**34,741**	15,236
Profit before income tax		**708,824**	405,491
Income tax expense	10	**(153,866)**	(34,677)
Profit for the year		**554,958**	370,814
Profit attributable to:			
– Owners of the Company		**554,958**	370,814
– Non-controlling interests		**–**	–
		554,958	370,814
Profit per share attributable to owners of the Company for the year (expressed in RMB per share)	11		
– Basic		**0.086**	0.058
– Diluted		**0.083**	0.056

The above consolidated income statement should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Profit for the year	**554,958**	370,814
Other comprehensive income, net of tax:		
Items that may not be reclassified to profit or loss		
Currency translation differences	**8,177**	194,116
Total comprehensive income for the year	**563,135**	564,930
Attributable to:		
– Owners of the Company	**563,135**	564,930
– Non-controlling interests	**–**	–
	563,135	564,930

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
ASSETS			
Non-current assets			
Property and equipment	*12*	**444,073**	450,305
Right-of-use assets	*13*	**27,603**	18,463
Intangible assets	*14*	**911,155**	1,160,102
Associates and joint ventures using equity method	*15(a)*	**390,353**	660,155
Associates measured at fair value through profit or loss	*15(b)*	**110,000**	56,000
Financial assets at fair value through profit or loss	*16*	**3,459,575**	3,204,387
Deferred income tax assets	*29*	**561,351**	708,558
Prepayments, deposits and other assets	*20*	**506,293**	292,121
Finance receivables	*18*	**14,712,242**	7,359,576
Trade receivables	*19*	**1,153,042**	1,288,399
Restricted cash	*21*	**33,156**	114,110
		22,308,843	15,312,176
Current assets			
Finance receivables	*18*	**9,172,637**	6,382,437
Trade receivables	*19*	**3,641,289**	2,948,923
Prepayments, deposits and other assets	*20*	**2,621,365**	2,071,940
Restricted cash	*21*	**2,083,808**	2,015,734
Cash and cash equivalents	*21*	**3,479,550**	3,433,182
		20,998,649	16,852,216
A joint venture classified as held for sale	*15(c)*	**267,610**	–
		21,266,259	16,852,216
Total assets		**43,575,102**	32,164,392
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	*22*	**4,262**	4,238
Share premium	*22*	**34,964,305**	35,080,671
Other reserves	*23*	**1,296,382**	1,195,082
Accumulated losses		**(20,499,779)**	(20,953,778)
Total equity		**15,765,170**	15,326,213

	Note	As at 31 December 2023 RMB'000	2022 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	*28*	**10,851,621**	4,686,125
Lease liabilities	*13*	**9,609**	5,985
Deferred income tax liabilities	*29*	**76,420**	89,594
Other non-current liabilities	*30*	**881,865**	940,125
		11,819,515	5,721,829
Current liabilities			
Trade payables	*25*	**901,487**	841,351
Risk assurance liabilities	*26*	**1,602,733**	1,150,498
Other payables and accruals	*27*	**1,014,614**	1,143,024
Current income tax liabilities		**152,946**	145,697
Borrowings	*28*	**12,304,161**	7,826,147
Lease liabilities	*13*	**14,476**	9,633
		15,990,417	11,116,350
Total liabilities		**27,809,932**	16,838,179
Total equity and liabilities		**43,575,102**	32,164,392

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital *RMB'000*	Share premium *RMB'000*	Other reserves *RMB'000*	Accumulated losses *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2023		**4,238**	**35,080,671**	**1,195,082**	**(20,953,778)**	**15,326,213**
Comprehensive income						
Profit for the year		**–**	**–**	**–**	**554,958**	**554,958**
Currency translation differences	*23*	**–**	**–**	**8,177**	**–**	**8,177**
Total comprehensive income for the year		**–**	**–**	**8,177**	**554,958**	**563,135**
Transactions with owners in their capacity as owners						
Share-based compensation	*8, 23, 24*	**–**	**–**	**74,750**	**–**	**74,750**
Appropriation to statutory surplus reserve	*23*	**–**	**–**	**100,959**	**(100,959)**	**–**
Shares issued upon exercise of employee share options	*22, 23, 24*	**–**	**690**	**(688)**	**–**	**2**
Vesting of restricted awarded shares	*22, 23, 24*	**24**	**70,400**	**(70,424)**	**–**	**–**
Purchase of restricted shares under share award scheme	*23, 24*	**–**	**–**	**(11,474)**	**–**	**(11,474)**
Dividends declared		**–**	**(187,456)**	**–**	**–**	**(187,456)**
Total transactions with owners in their capacity as owners		**24**	**(116,366)**	**93,123**	**(100,959)**	**(124,178)**
Balance at 31 December 2023		**4,262**	**34,964,305**	**1,296,382**	**(20,499,779)**	**15,765,170**

	Note	Share capital *RMB'000*	Share premium *RMB'000*	Other reserves *RMB'000*	Accumulated losses *RMB'000*	Total equity *RMB'000*
Balance at 1 January 2022		4,204	34,976,080	967,386	(21,305,459)	14,642,211
Comprehensive income						
Profit for the year		–	–	–	370,814	370,814
Currency translation differences	*23*	–	–	194,116	–	194,116
Total comprehensive income for the year		–	–	194,116	370,814	564,930
Transactions with owners in their capacity as owners						
Share-based compensation	*8, 23, 24*	–	–	134,534	–	134,534
Appropriation to statutory surplus reserve	*23*	–	–	19,133	(19,133)	–
Release of ordinary shares from Share Scheme Trusts	*22, 23, 24*	1	2,007	(2,002)	–	6
Shares issued upon exercise of employee share options	*22, 23, 24*	–	584	(583)	–	1
Vesting of restricted awarded shares	*22, 23, 24*	33	102,000	(102,033)	–	–
Purchase of restricted shares under share award scheme	*23, 24*	–	–	(15,469)	–	(15,469)
Total transactions with owners in their capacity as owners		34	104,591	33,580	(19,133)	119,072
Balance at 31 December 2022		4,238	35,080,671	1,195,082	(20,953,778)	15,326,213

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December **2023** *RMB'000*	2022 *RMB'000*
Cash flows from operating activities			
Cash used in operations		**(8,638,409)**	(2,035,414)
Income tax paid		**(12,581)**	(2,730)
Net cash used in operating activities		**(8,650,990)**	(2,038,144)
Cash flows from investing activities			
Interest received		**39,161**	14,763
Proceeds from disposal of property and equipment and intangible assets		**3,988**	3,720
Purchase of property and equipment and other non-current assets		**(30,184)**	(33,576)
Purchase of intangible assets		**(611)**	(3,024)
Loans to third parties and related parties		**(206,000)**	(297,000)
Collection of loans to third parties and related parties		**419,000**	84,727
Investments in financial assets at fair value through profit or loss		**(226,790)**	(12,500)
Proceeds from financial assets		**20,216**	2,938
Investment in an associate	*15*	**(54,000)**	–
Prepayment for equity transactions	*20*	**(384,000)**	(80,000)
Dividends from a joint venture		**14,470**	–
Placements of restricted cash		**(440,257)**	(63,626)
Maturity of restricted cash		**62,483**	254,267
Net cash used in investing activities		**(782,524)**	(129,311)

	Note	Year ended 31 December 2023 RMB'000	2022 RMB'000
Cash flows from financing activities			
Proceeds from borrowings		**22,698,401**	15,051,378
Repayment of borrowings		**(12,137,996)**	(11,963,897)
(Payment)/Release of deposits for borrowings		**(18,846)**	26,410
Principal elements of lease payments		**(15,501)**	(14,462)
Proceeds from exercise of share options		**2**	7
Purchase of restricted shares under share award scheme	*23*	**(11,474)**	(15,469)
Dividends paid to company's shareholders		**(191,963)**	–
Interest paid		**(836,188)**	(564,620)
Net cash generated from financing activities		**9,486,435**	2,519,347
Net increase in cash and cash equivalents		**52,921**	351,892
Cash and cash equivalents at beginning of year		**3,433,182**	3,051,720
Exchange (losses)/gains on cash and cash equivalents		**(6,553)**	29,570
Cash and cash equivalents at end of year		**3,479,550**	3,433,182

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 GENERAL INFORMATION

Yixin Group Limited (the "**Company**") was incorporated in the Cayman Islands on 19 November 2014 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and carries on business in Hong Kong as Yixin Automotive Technology Group Limited. The address of the Company's registered office is P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since 16 November 2017.

The Company is an investment holding company. The Company together with its subsidiaries and consolidated affiliated entities (together, the "**Group**") are principally engaged in (i) the provision of loan facilitation services, guarantee services, value-added services, and software-as-a-service ("**SaaS**") services ("**Transaction Platform Business**"); and (ii) the provision of financing lease services and other self-operated services ("**Self-operated Financing Business**") substantially in the People's Republic of China (the "**PRC**").

As at the date of these consolidated financial statements, there is no ultimate parent of the Company. Tencent Holdings Limited ("**Tencent**", collectively with its subsidiaries, the "**Tencent Group**") is the largest shareholder of the Company.

The Group's major subsidiaries are based in the PRC and the majority of their transactions are denominated in Renminbi ("**RMB**"). The conversion of RMB into foreign currencies is subject to the rules and regulations of foreign exchange controls promulgated by the PRC government. As at 31 December 2023, other than restrictions from exchange control regulations, there is no significant restriction on the Group's ability to access or use the assets and settle the liabilities of the Group.

The consolidated financial statements are presented in RMB, unless otherwise stated. All companies comprising the Group have adopted 31 December as their financial year-end date.

United States Dollars are defined as "USD", Hong Kong Dollars are defined as "HKD", Singapore Dollars are defined as "SGD", Japanese Yen is defined as "JPY" and Macau Pataca is defined as "MOP".

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards ("**IFRS**") and interpretations issued by the IFRS Interpretations Committee (IFRS IC) applicable to companies reporting under IFRS and disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the Hong Kong Companies Ordinance (Cap.622). The financial statements comply with IFRS as issued by the International Accounting Standards Board (IASB). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss and associates measured at fair value through profit or loss, which are carried at fair value.

The preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4.

The consolidated financial statements are prepared on a going concern basis.

(a) New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for its annual reporting period commencing 1 January 2023:

Standards and amendments	Effective for annual periods beginning on or after
Disclosure of Accounting Policies – Amendments to International Accounting Standards (IAS) 1 and IFRS Practice Statement 2	1 January 2023
Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
IFRS 17 Insurance Contracts	1 January 2023
Deferred Tax related to Assets and Liabilities arising from a Single Transaction – amendments to IAS 12	1 January 2023
International Tax Reform – Pillar Two Model Rules – amendments to IAS 12	1 January 2023

The above amendments to IFRS effective for the financial year beginning on 1 January 2023 do not have a material impact on the Group's consolidated financial statements.

(b) New standards and interpretations not yet adopted

The following new accounting standards and interpretations have been published but are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Standards and amendments	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2024
Non-current liabilities with covenants – Amendments to IAS 1	1 January 2024
Lease liability in sale and leaseback – Amendments to IFRS 16	1 January 2024
Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7	1 January 2024
Sale or contribution of assets between an investor and its associate or joint venture – Amendments to IFRS 10 and IAS 28	To be determined

3 FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Group's activities expose itself to a variety of financial risks: market risk (including foreign exchange risk, cash flow and fair value interest rate risk), credit risk, liquidity risk and other financial risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance.

Risk management is carried out under policies approved by the board of Directors. The management identifies and evaluates financial risks in close co-operation with the Group's operating units.

(a) Credit risk

(i) Risk management

Credit risk is managed on group basis. Credit risk mainly arises from cash and cash equivalents, restricted cash, trade receivables, other receivables, finance receivables, investment in debt instruments and risk assurance liabilities.

To manage this risk arising from cash and cash equivalents, and restricted cash, the Group only transacts with state-owned or large medium sized joint-stock commercial banks in the PRC and reputable international financial institution outside of the PRC. There has been no recent history of default in relation to these financial institutions.

The Group has policies in place to ensure that trade receivables with credit terms are made to counterparties with an appropriate credit history and management performs ongoing credit evaluations of the counterparties.

Finance receivables are typically secured with automobiles for financing leases and derived from substantially all revenues earned from customers in the PRC, which are exposed to credit risk. The risk is mitigated by credit evaluations the Group performs on its customers and its ongoing monitoring process of outstanding balances. The Group maintains reserves for expected credit losses and these losses have generally been within its expectations.

Loans recognized as a result of payment under risk assurance and risk assurance liabilities are typically secured with automobiles for loan facilitation services and derived from revenues earned from customers in the PRC, which are exposed to credit risk. The risk is mitigated by credit evaluations the Group performs on the borrowers and its ongoing monitoring process of balances of outstanding off balance-sheet items. The Group maintains reserves for expected credit losses and these losses have generally been within its expectations.

For other receivables other than loans recognized as a result of payment under risk assurance, the Group makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records, past experience and forward-looking information.

The Group's investments in debt instruments and unlisted securities measured at FVPL are not subject to the ECL assessment.

Models

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition as summarised below:

- A financial instrument that is not credit-impaired on initial recognition is classified in 'Stage I'.

- If a significant increase in credit risk ("**SICR**") since initial recognition is identified, the financial instrument is moved to 'Stage II'. The Group considers a financial instrument to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments.

- If the financial instrument is credit-impaired, the financial instrument is then moved to 'Stage III'. The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired, if the borrower is more than 90 days past due on its contractual payments.

- Financial instruments in Stage I have their expected credit losses ("**ECL**") measured at an amount equal to the portion of lifetime ECL that result from default events possible within the next 12 months. Instruments in Stage II or III have their ECL measured based on ECL on a lifetime basis.

The following diagram summarises the impairment requirements under IFRS 9 (other than purchased or originated credit-impaired financial assets).

Change in credit quality since initial recognition

Stage I	**Stage II**	**Stage III**
(Initial recognition)	(Significant increase in credit risk since initial recognition)	(Credit-impaired assets)
12-month expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses

Significant increase in credit risk (SICR)

The Group considers a financial instrument to have experienced a significant increase in credit risk if the borrower is more than 30 days past due on its contractual payments. No qualitative criterion is considered by the Group since the Group monitors the risk of borrowers purely based on overdue period.

Definition of default and credit-impaired assets

The Group defines a financial instrument as in default, which is fully aligned with the definition of credit-impaired if the borrower is more than 90 days past due on its contractual payments. No qualitative criterion is considered by the Group since the Group monitors the risk of borrowers purely based on overdue period.

The criteria above have been applied to all financial instruments held by the Group and are consistent with the definition of default used for internal credit risk management purpose. The default definition has been applied consistently to model the Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD) throughout the Group's expected loss calculations.

Measuring ECL-Explanation of inputs, assumptions and estimation techniques

The ECL is measured on either a 12-months (12M) or Lifetime basis depending on whether a significant increase in credit risk has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL is the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD), defined as follows:

- The PD represents the likelihood of a borrower defaulting on its financial obligation (as per "Definition of default and credit-impaired assets" above), either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation.

- EAD is based on the amounts the Group expects to be owed at the time of default, over the next 12 months (12M EAD) or over the remaining lifetime (Lifetime EAD).

- LGD represents the Group's expectation of the extent of loss on a defaulted exposure. LGD varies by type of counterparty, type and seniority of claim and availability of collateral or other credit support. LGD is expressed as a percentage loss per unit of exposure at the time of default (EAD). LGD is calculate on a 12-month or lifetime basis, where 12-month LGD is the percentage of loss expected to be made if the default occurs in the next 12 month and Lifetime LGD is the percentage of loss expected to be made if the default occurs over the remaining expected lifetime of the loan.

The ECL is determined by projecting the PD, LGD and EAD for each future month and for each individual exposure or collective segment. These three components are multiplied together and adjusted for the likelihood of survival (i.e., the exposure has not prepaid or defaulted in an earlier month). This effectively calculates an ECL for each future month, which is then discounted back to the reporting date and summed. The discount rate used in the ECL calculation is the original effective interest rate or an approximation thereof.

The Lifetime PD is developed by applying a maturity profile to the current 12M PD. The maturity profile looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the loans. The maturity profile is based on historical observed data and is assumed to be the same across all assets within a portfolio. This is supported by historical analysis.

Forward-looking information incorporated in the ECL models

The assessment of SICR and the calculation of ECL both incorporate forward-looking information. The Group has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio. The forecasts of these economic variables are provided periodically and the most relevant variables are picked and estimated by the Group.

Maximum exposure to credit risk-Financial instruments subject to impairment

The following table contains an analysis of the credit risk exposure of financial instruments for which an ECL allowance is recognized. The gross carrying amount of financial assets below also represents the Group's maximum exposures to credit risk on these assets.

	Maximum exposure to credit risk of the Group As at 31 December 2023				
	Stage I 12 months expected credit loss	**Stage II Expected credit loss since purchased**	**Stage III Expected credit loss since purchased**	**Simplified Approach Expected credit loss since purchased**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***	***RMB'000***
Cash and cash equivalents	**3,479,550**	**–**	**–**	**–**	**3,479,550**
Restricted cash	**2,116,964**	**–**	**–**	**–**	**2,116,964**
Finance receivables	**24,069,864**	**86,586**	**482,732**	**–**	**24,639,182**
Trade receivables	**–**	**–**	**–**	**4,817,902**	**4,817,902**
Other receivables	**1,416,561**	**52,000**	**884,436**	**–**	**2,352,997**
Gross balance	**31,082,939**	**138,586**	**1,367,168**	**4,817,902**	**37,406,595**
Allowance for impairment losses	**(481,112)**	**(48,920)**	**(422,898)**	**(23,571)**	**(976,501)**
Net balance	**30,601,827**	**89,666**	**944,270**	**4,794,331**	**36,430,094**
Off balance-sheet items	**47,348,178**	**810,761**	**–**	**–**	**48,158,939**
Risk assurance liabilities	**(1,481,940)**	**(120,793)**	**–**	**–**	**(1,602,733)**

	Maximum exposure to credit risk of the Group As at 31 December 2022				
	Stage I 12 months expected credit loss	Stage II Expected credit loss since purchased	Stage III Expected credit loss since purchased	Simplified Approach Expected credit loss since purchased	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*	*RMB'000*
Cash and cash equivalents	3,433,182	–	–	–	3,433,182
Restricted cash	2,129,844	–	–	–	2,129,844
Finance receivables	13,747,497	155,889	453,037	–	14,356,423
Trade receivables	–	–	–	4,276,820	4,276,820
Other receivables	–	1,639,364	620,112	–	2,259,476
Gross balance	19,310,523	1,795,253	1,073,149	4,276,820	26,455,745
Allowance for impairment losses	(303,249)	(197,867)	(340,239)	(39,498)	(880,853)
Net balance	19,007,274	1,597,386	732,910	4,237,322	25,574,892
Off balance-sheet items	44,389,808	852,755	–	–	45,242,563
Risk assurance liabilities	(1,024,713)	(125,785)	–	–	(1,150,498)

Finance receivables

For expected credit loss provisions modelled on a collective basis, a grouping of exposures is performed on the basis of shared risk characteristics, such that the risk exposures within a group are homogeneous. The Group determines groupings by product type, namely consumption loan, automobile mortgage loan and commercial vehicle loan.

Provision for expected credit losses as at 31 December 2023 and 2022 was determined as follows for finance receivables:

31 December 2023	**Stage I**	**Stage II**	**Stage III**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Expected loss rate	**1.92%**	**49.12%**	**51.77%**	**3.06%**
Gross carrying amount *(Note 18)*	**24,069,864**	**86,586**	**482,732**	**24,639,182**
Provision for expected credit losses	**461,847**	**42,527**	**249,929**	**754,303**

31 December 2022	Stage I	Stage II	Stage III	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Expected loss rate	2.21%	41.88%	54.27%	4.28%
Gross carrying amount *(Note 18)*	13,747,497	155,889	453,037	14,356,423
Provision for expected credit losses	303,249	65,291	245,870	614,410

The most significant assumptions used for the ECL estimate as at 31 December 2023 are M2 and Producer Price Index ("**PPI**") (31 December 2022: Consumer Price Index ("**CPI**") and PPI). Due to the fluctuation of the macroeconomic environment, the Group used historical data to refit the prospective regression model to determine key economic variables. Back testing has been performed to prove these variables are the most relevant. The scenarios "base", "upside" and "downside" were used for all portfolios.

Key economic variable	**Scenario**	**2023**	2022
M2	Base	**1.10%**	N/A
	Upside	**1.11%**	N/A
	Downside	**1.09%**	N/A
PPI	Base	**1.00%**	0.38%
	Upside	**1.02%**	2.49%
	Downside	**0.98%**	-1.73%
CPI	Base	**N/A**	2.34%
	Upside	**N/A**	2.91%
	Downside	**N/A**	1.77%

The Group determines the base, upside, and downside scenarios and their weightings according to the analysis of macroeconomics and calculates thereby the weighted average ECL allowance. The weightings assigned to each economic scenario as at 31 December 2023 and 2022 were as follows:

Key economic variable	Scenario	2023	2022
M2	Base	**85%**	N/A
	Upside	**10%**	N/A
	Downside	**5%**	N/A
PPI	Base	**85%**	85%
	Upside	**10%**	10%
	Downside	**5%**	5%
CPI	Base	**N/A**	85%
	Upside	**N/A**	10%
	Downside	**N/A**	5%

A sensitivity analysis is performed on the key economic variables, namely M2 and PPI. Set out below are the changes to the ECL as at 31 December 2023 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions:

			M2	
		-5%	**No Change**	**5%**
		RMB'000	***RMB'000***	***RMB'000***
	-5%	**66,775**	**174**	**(58,395)**
PPI	No Change	**66,579**	**–**	**(58,549)**
	5%	**66,382**	**(174)**	**(58,703)**

Finance receivables are written off when there is no reasonable expectation of recovery (Note 18). Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan after the completion of legal proceedings and execution, and a failure to make contractual payments for a certain period of time past due.

Provision for expected credit losses on finance receivables is presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Trade receivables and other receivables other than loans recognized as a result of payment under risk assurance

For trade receivables, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. To measure the expected credit losses, trade receivables have been grouped based on the days past due. For other receivables other than loans recognized as a result of payment under risk assurance, the ECL are assessed individually. The Company consider the counterparties with good credit worthiness with reference to external credit rating and historical observed default rates over the expected life. The Company has identified the Total Retail Sales of Consumer Goods (Retail) and Producer Price Index (PPI) to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors. In the opinion of the Company, the estimated loss rates of these counterparties are not significant and the Group assessed that the ECL on these balances are insignificant.

Trade receivables and other receivables other than loans recognized as a result of payment under risk assurance are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group.

Provision for impairment of trade receivables and other receivables other than loans recognized as a result of payment under risk assurance is presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

Off balance-sheet items and loans recognized as a result of payment under risk assurance

Under the arrangements with certain financial institutions for loan facilitation services, the Group is obligated to purchase the relevant loans upon certain specified events of default by car buyers. As of 31 December 2023, the total outstanding balance of loans funded by financial institutions under such arrangements was RMB47,554 million (2022: RMB44,638 million). As at 31 December 2023, the risk assurance liabilities recognised by the Group under such financial guarantee contracts was RMB1,589.1 million (2022: RMB1,137.8 million).

Expected credit loss provisions of related risk assurance liabilities are modelled on a collective basis. A grouping of exposures is performed on the basis of shared risk characteristics, such that the risk exposures within a group are homogeneous. The Group determines groupings by product type, namely consumption loan and automobile mortgage loan.

The most significant assumptions used for the ECL estimate as at 31 December 2023 are M2 and PPI (31 December 2022: CPI and PPI). Due to the fluctuation of the macroeconomic environment, the Group used historical data to refit the prospective regression model to determine key economic variables. Back testing has been performed to prove these variables are the most relevant. The scenarios “base”, “upside” and “downside” were used for all portfolios.

Key economic variable	**Scenario**	**2023**	2022
M2	Base	**1.10%**	N/A
	Upside	**1.11%**	N/A
	Downside	**1.09%**	N/A
PPI	Base	**1.00%**	0.38%
	Upside	**1.02%**	2.49%
	Downside	**0.98%**	-1.73%
CPI	Base	**N/A**	2.34%
	Upside	**N/A**	2.91%
	Downside	**N/A**	1.77%

The Group determines the base, upside, and downside scenarios and their weightings according to the analysis of macroeconomics and calculates thereby the weighted average ECL allowance. The weightings assigned to each economic scenario as at 31 December 2023 and 2022 were as follows:

Key economic variable	**Scenario**	**2023**	2022
M2	Base	**85%**	N/A
	Upside	**10%**	N/A
	Downside	**5%**	N/A
PPI	Base	**85%**	85%
	Upside	**10%**	10%
	Downside	**5%**	5%
CPI	Base	**N/A**	85%
	Upside	**N/A**	10%
	Downside	**N/A**	5%

A sensitivity analysis is performed on the key economic variables, namely M2 and PPI. Set out below are the changes to the ECL as at 31 December 2023 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group's economic variable assumptions:

			M2	
		-5%	**No Change**	**5%**
		RMB'000	***RMB'000***	***RMB'000***
	-5%	**27,414**	**2,316**	**(20,576)**
PPI	No Change	**24,904**	**–**	**(22,780)**
	5%	**22,410**	**(2,301)**	**(24,970)**

Under the guarantee agreement with a certain third party, Xinche Investment (Shanghai) Co., Ltd. ("**Xinche**"), an indirectly wholly-owned subsidiary of the Company, is required to pay the redemption price on behalf of the third party upon certain events. As of 31 December 2023, the total outstanding redemption price under the guarantee agreement was RMB605 million (2022: RMB605 million). As at 31 December 2023, the risk assurance liabilities recognised by the Group under such guarantee contracts was RMB13.6 million (2022: RMB12.7 million).

Loans recognized as a result of payment under risk assurance are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan after the completion of legal proceedings and execution, and a failure to make contractual payments for a certain period of time past due.

Provision for expected credit losses on risk assurance liabilities and loans recognized as a result of payment under risk assurance is presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5 SEGMENT INFORMATION

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker ("**CODM**"). The Chief Executive Officer of the Group has been identified as the chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments.

The Group's business activities, for which discrete financial statements are available, are regularly reviewed and evaluated by the CODM. As a result of this evaluation, the Group determined that it has operating segments as follows:

– Transaction Platform Business

– Self-operated Financing Business

The CODM assesses the performance of the operating segments mainly based on segment revenues, segment gross profit and segment operating profit. The revenues from external customers reported to CODM are measured as segment revenues, which is the revenues derived from the customers in each segment. The segment gross profit is calculated as segment revenues minus segment cost of revenues. Cost of revenues for Transaction Platform Business segment is primarily comprised of commission fees and other direct service costs. Cost of revenues for Self-operated Financing Business segment is primarily comprised of funding costs and cost of automobiles sold. The segment operating profit is calculated as segment gross profit minus selling and marketing expenses, administrative expenses, research and development expenses, credit impairment losses and other income and other gains, net associated with the respective segment.

The "Finance cost, net" is not included in the measurement of the segments' performance which is used by CODM as a basis for the purpose of resource allocation and assessment of segment performance.

Other information, together with the segment information, provided to the CODM is measured in a manner consistent with that applied in these consolidated financial statements. There was no separate segment assets and segment liabilities information provided to the CODM, as CODM does not use this information to allocate resources to or evaluate the performance of the operating segments.

The segment results for the year ended 31 December 2023 are as follows:

	Year ended 31 December 2023		
	Transaction Platform Business	**Self-operated Financing Business**	**Total**
	RMB'000	***RMB'000***	***RMB'000***
Revenues	**5,096,571**	**1,589,400**	**6,685,971**
– Recognized at a point in time	**4,133,355**	**–**	**4,133,355**
– Recognized over time	**963,216**	**1,589,400**	**2,552,616**
Gross profit	**2,480,337**	**766,811**	**3,247,148**
Operating profit/(loss)	**834,530**	**(145,272)**	**689,258**

The segment results for the year ended 31 December 2022 are as follows:

	Year ended 31 December 2022		
	Transaction Platform Business	Self-operated Financing Business	Total
	RMB'000	*RMB'000*	*RMB'000*
Revenues	3,984,259	1,217,249	5,201,508
– Recognized at a point in time	3,459,067	9,827	3,468,894
– Recognized over time	525,192	1,207,422	1,732,614
Gross profit	2,206,683	681,688	2,888,371
Operating profit/(loss)	634,812	(234,788)	400,024

The Company is domiciled in the Cayman Islands while the Group mainly operates its businesses in the PRC and earns substantially all of the revenues from external customers attributed to the PRC.

As at 31 December 2023 and 2022, substantially all of the non-current assets of the Group were located in the PRC.

The reconciliation of operating profit to profit before income tax for the years ended 31 December 2023 and 2022 is presented in the consolidated income statements of the Group.

The Group derives revenue from the following services and transfer of goods:

	Year ended 31 December 2023			Year ended 31 December 2022		
	Recognized at a point in time	**Recognized over time**	**Total**	Recognized at a point in time	Recognized over time	Total
	RMB'000	***RMB'000***	***RMB'000***	*RMB'000*	*RMB'000*	*RMB'000*
Transaction Platform Business						
– Loan facilitation services	**3,445,250**	**–**	**3,445,250**	3,153,649	–	3,153,649
– Guarantee services	**–**	**963,216**	**963,216**	–	525,192	525,192
– SaaS services	**462,679**	**–**	**462,679**	121,614	–	121,614
– Value-added services	**225,426**	**–**	**225,426**	183,804	–	183,804
	4,133,355	**963,216**	**5,096,571**	3,459,067	525,192	3,984,259
Self-operated Financing Business						
– Financing lease services	**–**	**1,570,398**	**1,570,398**	–	1,188,496	1,188,496
– Operating lease services and others	**–**	**19,002**	**19,002**	9,827	18,926	28,753
	–	**1,589,400**	**1,589,400**	9,827	1,207,422	1,217,249
Total	**4,133,355**	**2,552,616**	**6,685,971**	3,468,894	1,732,614	5,201,508

6 OTHER INCOME AND OTHER GAINS, NET

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Other income from business cooperation arrangements with Yusheng Holdings Limited ("**Yusheng**")	**64,791**	107,765
Fair value losses on financial assets *(Note 16)*	**(82,462)**	(3,541)
Government grants	**32,793**	24,893
Bank fees and charges	**(11,594)**	(7,522)
Investment income/(losses)	**11,046**	(4,072)
Foreign exchange losses, net	**(8,707)**	(16,319)
Others, net	**39,697**	41,186
Total	**45,564**	142,390

7 EXPENSES BY NATURE

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Commission fees incurred for transaction platform business	**2,545,006**	1,711,063
Employee benefit expenses	**945,227**	1,014,251
Funding costs	**781,629**	492,397
Provision for expected credit losses:		
– Finance receivables	**293,710**	474,753
– Other receivables	**276,981**	76,041
– Risk assurance liabilities	**158,059**	228,310
– Trade receivables	**(17)**	11,192
Depreciation and amortization charges	**295,934**	262,559
Expenses incurred for self-operated financing lease business	**250,382**	211,197
Marketing and advertising expenditures	**202,913**	85,205
Office and administrative expenses	**170,082**	105,415
Auditors' remuneration		
– Audit services	**6,980**	6,850
– Non-audit services	**580**	627
Provision for impairment of other non-current assets	**(2,354)**	60,895
Other expenses	**117,165**	203,119
Total	**6,042,277**	4,943,874

8 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Wages, salaries and bonuses	**678,959**	687,498
Pension and benefits	**191,518**	192,219
Share-based compensation expenses *(Note 24)*	**74,750**	134,534
Total employee benefit expenses	**945,227**	1,014,251

9 FINANCE COST, NET

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Finance income:		
– Interest income	**71,854**	74,408
Finance expenses:		
– Interest expenses	**(87,029)**	(84,177)
Net finance cost	**(15,175)**	(9,769)

10 INCOME TAX EXPENSE

Income tax expense of the Group for the years ended 31 December 2023 and 2022 is as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Current income tax expense	**20,007**	1,158
Deferred income tax *(Note 29)*	**133,859**	33,519
Income tax expense	**153,866**	34,677

11 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the year.

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Weighted average number of issued ordinary shares	**6,422,972,470**	6,382,033,854
Less: shares held for restricted share scheme	**(3,080,468)**	(4,628,099)
Weighted average number of issued ordinary shares for calculating basic earnings per share	**6,419,892,002**	6,377,405,755
Profit attributable to owners of the Company for calculating basic earnings per share (RMB'000)	**554,958**	370,814
Diluted impact on profit (RMB'000)	**–**	–
Profit attributable to owners of the Company for calculating diluted earnings per share (RMB'000)	**554,958**	370,814
Numbers of restricted shares with potential dilutive effect *(Note (b))*	**285,762,087**	276,433,928
Weighted average number of issued ordinary shares for calculating diluted earnings per share *(Note (b))*	**6,705,654,089**	6,653,839,683
Earnings per share		
– Basic (RMB per share)	**0.086**	0.058
– Diluted (RMB per share)	**0.083**	0.056

Notes:

(a) Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. For the year ended 31 December 2023 and 2022, the Company's dilutive potential ordinary shares comprise shares options and restricted shares awarded under the Pre-IPO Share Option Scheme and the First and Second Share Award Scheme (Note 24).

(b) For the year ended 31 December 2023, a calculation was done to determine the number of shares that could have been converted at fair value (determined as the average market share price of the Company's shares during the period) based on the monetary value of the subscription rights attached to outstanding unexercised awarded options and unvested awarded shares. The number of shares calculated as above was compared with the number of shares that would have been issued, assuming the conversion of the share options and restricted shares, with the difference being adjusted in arriving at the weighted average number of shares for diluted earnings per share.

12 PROPERTY AND EQUIPMENT

	Buildings *RMB'000*	**Office equipment** *RMB'000*	**Vehicles** *RMB'000*	**Leasehold improvement** *RMB'000*	**Total** *RMB'000*
As at 1 January 2023					
Cost	**454,219**	**69,633**	**29,065**	**11,111**	**564,028**
Accumulated depreciation	**(42,613)**	**(56,661)**	**(9,100)**	**(5,349)**	**(113,723)**
Net book amount	**411,606**	**12,972**	**19,965**	**5,762**	**450,305**
For the year ended 31 December 2023					
Opening net book amount	**411,606**	**12,972**	**19,965**	**5,762**	**450,305**
Additions	**–**	**14,472**	**12,681**	**1,163**	**28,316**
Disposals	**–**	**(93)**	**(2,990)**	**(363)**	**(3,446)**
Depreciation charge	**(14,379)**	**(8,004)**	**(6,572)**	**(2,178)**	**(31,133)**
Currency translation differences	**–**	**4**	**7**	**20**	**31**
Closing net book amount	**397,227**	**19,351**	**23,091**	**4,404**	**444,073**
As at 31 December 2023	**–**	**–**	**–**	**–**	**–**
Cost	**454,219**	**82,485**	**37,612**	**7,284**	**581,600**
Accumulated depreciation	**(56,992)**	**(63,138)**	**(14,528)**	**(2,900)**	**(137,558)**
Currency translation differences	**–**	**4**	**7**	**20**	**31**
Net book amount	**397,227**	**19,351**	**23,091**	**4,404**	**444,073**

	Buildings *RMB'000*	Office equipment *RMB'000*	Vehicles *RMB'000*	Leasehold improvement *RMB'000*	Total *RMB'000*
As at 1 January 2022					
Cost	453,681	63,391	17,897	7,536	542,505
Accumulated depreciation	(28,332)	(48,163)	(7,298)	(4,598)	(88,391)
Net book amount	425,349	15,228	10,599	2,938	454,114
For the year ended 31 December 2022					
Opening net book amount	425,349	15,228	10,599	2,938	454,114
Additions	538	9,098	16,664	5,081	31,381
Disposals	–	(641)	(2,572)	(358)	(3,571)
Depreciation charge	(14,281)	(10,713)	(4,726)	(1,899)	(31,619)
Closing net book amount	411,606	12,972	19,965	5,762	450,305
As at 31 December 2022					
Cost	454,219	69,633	29,065	11,111	564,028
Accumulated depreciation	(42,613)	(56,661)	(9,100)	(5,349)	(113,723)
Net book amount	411,606	12,972	19,965	5,762	450,305

Depreciation expenses have been charged to the consolidated income statement as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of revenues	**–**	416
Selling and marketing expenses	**13,094**	11,901
Administrative expenses	**15,674**	17,452
Research and development expenses	**2,365**	1,850
	31,133	31,619

13 LEASES

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Right-of-use assets		
Properties	**27,603**	18,463
Lease liabilities		
Current	**14,476**	9,633
Non-current	**9,609**	5,985
	24,085	15,618

Additions to the right-of-use assets during the year ended 31 December 2023 were RMB23,967,000 (2022: RMB11,383,000).

(b) Amounts recognised in the income statement

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Depreciation charge of right-of-use assets		
Properties	**14,827**	13,306
Interest expenses (included in finance expenses)	**887**	1,296
Expense relating to short-term leases (included in administrative expenses, selling and marketing expenses, and research and development expenses)	**12,613**	11,090

The total cash outflow for leases in 2023 was RMB29,001,000 (2022: RMB26,965,000).

14 INTANGIBLE ASSETS

	Goodwill *RMB'000*	Trademarks and licenses *RMB'000*	Domain names *RMB'000*	Computer software and technology *RMB'000*	Business Cooperation Agreements *RMB'000*	Total *RMB'000*
As at 1 January 2023						
Cost	**105,631**	**45,899**	**12,828**	**29,307**	**2,344,363**	**2,538,028**
Accumulated amortization	**–**	**(21,758)**	**(8,320)**	**(15,785)**	**(1,332,063)**	**(1,377,926)**
Net book amount	**105,631**	**24,141**	**4,508**	**13,522**	**1,012,300**	**1,160,102**
For the year ended 31 December 2023						
Opening net book amount	**105,631**	**24,141**	**4,508**	**13,522**	**1,012,300**	**1,160,102**
Additions	**–**	**–**	**–**	**1,305**	**–**	**1,305**
Disposal	**–**	**–**	**–**	**(278)**	**–**	**(278)**
Amortization charge	**–**	**(3,525)**	**(1,295)**	**(2,825)**	**(242,329)**	**(249,974)**
Closing net book amount	**105,631**	**20,616**	**3,213**	**11,724**	**769,971**	**911,155**
As at 31 December 2023						
Cost	**105,631**	**45,899**	**12,828**	**29,342**	**2,344,363**	**2,538,063**
Accumulated amortization	**–**	**(25,283)**	**(9,615)**	**(17,618)**	**(1,574,392)**	**(1,626,908)**
Net book amount	**105,631**	**20,616**	**3,213**	**11,724**	**769,971**	**911,155**

	Goodwill *RMB'000*	Trademarks and licenses *RMB'000*	Domain names *RMB'000*	Computer software and technology *RMB'000*	Business Cooperation Agreements *RMB'000*	Total *RMB'000*
As at 1 January 2022						
Cost	105,631	43,966	12,828	27,822	2,344,363	2,534,610
Accumulated amortization	–	(17,985)	(7,038)	(13,240)	(1,122,029)	(1,160,292)
Net book amount	105,631	25,981	5,790	14,582	1,222,334	1,374,318
For the year ended 31 December 2022						
Opening net book amount	105,631	25,981	5,790	14,582	1,222,334	1,374,318
Additions	–	1,933	–	1,487	–	3,420
Disposal	–	–	–	(2)	–	(2)
Amortization charge	–	(3,773)	(1,282)	(2,545)	(210,034)	(217,634)
Closing net book amount	105,631	24,141	4,508	13,522	1,012,300	1,160,102
As at 31 December 2022						
Cost	105,631	45,899	12,828	29,307	2,344,363	2,538,028
Accumulated amortization	–	(21,758)	(8,320)	(15,785)	(1,332,063)	(1,377,926)
Net book amount	105,631	24,141	4,508	13,522	1,012,300	1,160,102

Amortization charges were expensed in the following categories in the consolidated income statements:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cost of revenues	**3,070**	2,622
Selling and marketing expenses	**242,512**	210,480
Administrative expenses	**3,665**	3,834
Research and development expenses	**727**	698
	249,974	217,634

15 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Investments in associates and joint ventures:		
Associates and joint ventures using equity method *(a)*	**390,353**	660,155
Associates measured at fair value through profit or loss *(b)*	**110,000**	56,000
	500,353	716,155
Assets classified as held for sale *(c)*	**267,610**	–
	767,963	716,155

(a) Associates and joint ventures using equity method

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
At beginning of the year	**660,155**	605,103
Additions	**–**	17,500
Classified as held for sale (c)	**(267,610)**	–
Share of gains of associates and joint ventures	**34,741**	15,236
Dividend distribution	**(14,470)**	–
Currency translation differences	**(22,463)**	22,316
At end of the year	**390,353**	660,155

As at 31 December 2023, the Group invested in three associates and joint ventures using equity method. In the opinion of the directors of the Company, none of the associates or joint ventures is material to the Group.

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Aggregate carrying amount of individually immaterial associates and joint ventures	**390,353**	660,155
Aggregate amounts of the Group's share of:		
Gains from continuing operations	**34,741**	15,236
Post-tax profit or loss from discontinued operations	**–**	–
Other comprehensive income	**–**	–
Total comprehensive income	**34,741**	15,236

(b) Associates measured at fair value through profit or loss

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
At beginning of the year	**56,000**	56,000
Addition	**54,000**	–
At end of the year	**110,000**	56,000

(c) Assets classified as held for sale

During the year ended 31 December 2021, the Group invested RMB245,000,000 to establish Qingdao Caitong Yixin Financial Leasing Co., Ltd. ("**Qingdao Caitong Yixin**") with Qingdao Caitong Group Co., Ltd. in the Qingdao Free Trade Zone. The Group holds 49% of the shares and two of the five board seats, which has significant influence over Qingdao Caitong Yixin. The investment was accounted for using equity method. On 27 December 2023, the board of Directors agreed to sell the entire equity interest in Qingdao Caitong Yixin held by the Group. The Group reclassified the investment in joint venture as asset held for sale as of the reporting date. Details of the transaction are disclosed in Note 32.

The investment in joint venture classified as asset held for sale during the reporting period was measured at the lower of its carrying amount and fair value less costs to sell at the time of the reclassification. The fair value less costs to sell of the joint venture was carried out by the Group using certain key valuation assumptions including the selection of comparable companies and recent market transactions. As a result, the carrying amount of investment in Qingdao Caitong Yixin is lower than the fair value less costs to sell.

16 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
At beginning of the year	**3,204,387**	2,995,871
Additions	**306,790**	12,500
Disposals	**(9,170)**	–
Fair value losses	**(82,462)**	(3,541)
Currency translation differences	**40,030**	199,557
At end of the year	**3,459,575**	3,204,387

17 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Assets as per balance sheet		
Financial assets at fair value through profit or loss:		
– Long-term investments *(Note 16)*	**3,459,575**	3,204,387
Financial assets at amortized cost:		
– Finance receivables *(Note 18)*	**23,884,879**	13,742,013
– Trade receivables *(Note 19)*	**4,794,331**	4,237,322
– Deposits and other receivables	**2,540,943**	2,032,531
– Restricted cash *(Note 21(b))*	**2,116,964**	2,129,844
– Cash and cash equivalents *(Note 21(a))*	**3,479,550**	3,433,182
	40,276,242	28,779,279

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Liabilities as per balance sheet		
Financial liabilities at amortized cost:		
– Borrowings *(Note 28)*	**23,155,782**	12,512,272
– Trade payables *(Note 25)*	**901,487**	841,351
– Other payables (excluding advance from customers, staff costs and welfare accruals, tax payable, deferred revenue and other accruals)	**495,149**	661,106
– Other non-current liabilities (excluding deferred revenue) *(Note 30)*	**1,389**	10,294
Risk assurance liabilities *(Note 26)*	**1,602,733**	1,150,498
Lease liabilities *(Note 13)*	**24,085**	15,618
	26,180,625	15,191,139

18 FINANCE RECEIVABLES

The Group provides automobile financing lease services on its self-operated financing business. Details of finance receivables as at 31 December 2023 and 2022 are as below:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Finance receivables		
– Finance receivables, gross	**27,562,432**	15,851,025
– Unearned finance income	**(2,923,250)**	(1,494,602)
Finance receivables, net	**24,639,182**	14,356,423
Less: provision for expected credit losses	**(754,303)**	(614,410)
Carrying amount of finance receivables	**23,884,879**	13,742,013
Finance receivables, gross		
– Within one year	**11,190,283**	7,633,651
– After one year but not more than two years	**7,511,427**	5,220,387
– After two years but not more than three years	**4,890,207**	2,190,251
– After three years but not more than seven years	**3,970,515**	806,736
	27,562,432	15,851,025
Finance receivables, net		
– Within one year	**9,618,946**	6,688,699
– After one year but not more than two years	**6,665,509**	4,783,210
– After two years but not more than three years	**4,530,717**	2,109,692
– After three years but not more than seven years	**3,824,010**	774,822
Total	**24,639,182**	14,356,423

The following table sets forth the carrying amount of finance receivables by major categories:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Finance receivables:		
– Individual customers	**23,537,198**	13,358,163
– Auto dealers	**347,681**	383,850
	23,884,879	13,742,013

Movements on the Group's provision for expected credit losses of finance receivables are as follows:

	Year ended 31 December 2023			
	Stage I	**Stage II**	**Stage III**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Opening balance at 1 January 2023	**303,249**	**65,291**	**245,870**	**614,410**
Provision for impairment	**290,566**	**(7,081)**	**159,022**	**442,507**
Reversal of impairment	**–**	**–**	**(148,797)**	**(148,797)**
Transfer for the period:				
Conversion to Stage I	***340***	***(310)***	***(30)***	**–**
Conversion to Stage II	***(26,075)***	***26,113***	***(38)***	**–**
Conversion to Stage III	***(106,233)***	***(41,486)***	***147,719***	**–**
Asset derecognised (including final repayment)	**–**	**–**	**148,797**	**148,797**
Write-off	**–**	**–**	**(302,614)**	**(302,614)**
Ending balance at 31 December 2023	**461,847**	**42,527**	**249,929**	**754,303**

	Year ended 31 December 2022			
	Stage I	Stage II	Stage III	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening balance at 1 January 2022	188,287	29,714	183,430	401,431
Provision for impairment	280,261	14,097	289,596	583,954
Reversal of impairment	–	–	(109,201)	(109,201)
Transfer for the period:				
Conversion to Stage I	*88*	*(70)*	*(18)*	–
Conversion to Stage II	*(48,151)*	*48,223*	*(72)*	–
Conversion to Stage III	*(117,236)*	*(26,673)*	*143,909*	–
Asset derecognised (including final repayment)	–	–	109,201	109,201
Write-off	–	–	(370,975)	(370,975)
Ending balance at 31 December 2022	303,249	65,291	245,870	614,410

19 TRADE RECEIVABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade receivables	**4,817,902**	4,276,820
Less: provision for impairment	**(23,571)**	(39,498)
Trade receivables, net	**4,794,331**	4,237,322
Trade receivables, net	**4,794,331**	4,237,322
– Within one year	**3,641,289**	2,948,923
– After one year but not more than five years	**1,153,042**	1,288,399

(a) An aging analysis of trade receivables (net of provision for impairment) based on transaction date is as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Up to 3 months	**4,783,946**	4,171,063
3 to 6 months	**187**	7,800
Over 6 months	**10,198**	58,459
	4,794,331	4,237,322

As at 31 December 2023 and 2022, the carrying amounts of trade receivables are primarily denominated in RMB and approximate their fair values at each of the reporting dates.

(b) Movements on the Group's provision for impairment of trade receivables are as follows:

	Provision for impairment	
	2023	2022
	RMB'000	*RMB'000*
At 1 January	**39,498**	132,820
Charge for the year	**13**	16,493
Reverse	**–**	(1,220)
Recovery of write-off	**30**	4,081
Reversal of provision provided in relation to the recovery of write-off	**(30)**	(4,081)
Write-off	**(15,940)**	(108,595)
At 31 December	**23,571**	39,498

20 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Included in non-current assets:		
Prepayment for equity transactions *(a)*	**384,000**	80,000
Vehicles collected from financing lease customers	**120,702**	186,417
Deposits	**76,620**	163,225
Long-term prepaid expense	**452**	1,851
Others	**9,549**	4,305
	591,323	435,798
Less: provision for impairment of vehicles collected from financing lease customers	**(85,030)**	(143,677)
	506,293	292,121
Included in current assets:		
Other receivables from third parties	**858,608**	527,231
Loans recognized as a result of payment under the guarantee	**742,517**	540,112
Deposits	**570,039**	393,894
Loans to third parties *(b)*	**271,400**	384,451
Prepaid taxes	**142,069**	103,190
Other receivables from disposal of assets	**122,752**	128,942
Prepayments	**24,221**	23,368
Loans to related parties	**20,000**	59,000
Other receivables from related parties	**6,613**	3,022
Others	**61,773**	135,675
	2,819,992	2,298,885
Less: provision for impairment of other receivables	**(198,627)**	(226,945)
	2,621,365	2,071,940
Total	**3,127,658**	2,364,061

Notes:

(a) The prepayment for an acquisition transaction amounted to RMB384 million was paid in accordance with the equity transfer agreement entered into by Xinche, Beijing Bitauto Internet Information Company Limited ("**Beijing Bitauto**") and Dalian Rongxin Financing Guarantees Company Ltd. ("**Dalian Rongxin**") on 29 May 2023 in regard to the acquisition of the remaining equity interests in Dalian Rongxin with a total consideration of RMB640 million. The transaction has been approved by the extraordinary general meeting of the Company held on 17 July 2023.

(b) The loans to third parties are arranged to be recovered by the end of December 2024 given the business terms. As at 31 December 2023, the applicable interest rates on loans to third parties are from 7.00% to 10.00% (2022: 7.00% to 10.00%) per annum.

As at 31 December 2023 and 2022, the carrying amounts of prepayments, deposits and other assets are primarily denominated in RMB and approximate their fair values at each of the reporting dates. As at 31 December 2023 and 2022, there are no significant balances that are past due.

Movements on the Group's provision for impairment of prepayments, deposits and other assets are as follows:

	Provision for impairment	
	2023	2022
	RMB'000	*RMB'000*
As at 1 January	**370,622**	286,521
Provision for impairment	**293,705**	140,539
Recovery of write-off	**19,078**	3,603
Reversal of provision provided in relation to the recovery of write-off	**(19,078)**	(3,603)
Write-off	**(380,670)**	(56,438)
As at 31 December	**283,657**	370,622

As at 31 December 2023, the ECL allowance of loans recognized as a result of payment under risk assurance amounted to approximately RMB97,181,000 (2022: RMB52,289,000).

21 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cash and cash equivalents	**3,479,550**	3,433,182

As at 31 December 2023 and 2022, the carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
RMB	**3,114,859**	2,792,535
USD	**211,354**	378,296
HKD	**109,851**	252,755
SGD	**42,558**	9,596
JPY	**608**	–
MOP	**320**	–
	3,479,550	3,433,182

(b) Restricted cash

Cash that is restricted as to withdrawal for use or pledged as security is reported separately on the face of the consolidated balance sheets, and is not included in the total cash and cash equivalents in the consolidated statements of cash flows.

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Cash deposited for loan facilitation services *(a)*	**1,514,887**	1,765,723
Cash deposited for borrowings *(b)*	**422,653**	65,228
Term deposits pledged for bank borrowings *(c)*	**168,407**	102,328
Others	**11,017**	196,565
	2,116,964	2,129,844
Of which are:		
Current restricted cash	**2,083,808**	2,015,734
Non-current restricted cash	**33,156**	114,110

Notes:

(a) The balance represents the deposits placed with banks for the Group's loan facilitation services. Such balance is restricted from withdrawal by the Group.

(b) The balance represents the cash deposited for bank borrowings and cash collected from the finance receivables that are deposited for asset-backed securitization or other secured borrowings of the Group. Such balance is restricted from withdrawal by the Group.

(c) The balance represents the term deposits placed with banks and used as pledged assets for the Group's bank borrowings.

As at 31 December 2023 and 2022, the carrying amounts of the Group's restricted cash are denominated in the following currencies:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
RMB	**2,036,019**	2,040,517
MOP	**35,348**	–
USD	**34,951**	–
SGD	**10,646**	–
HKD	**–**	89,327
	2,116,964	2,129,844

As at 31 December 2023, the applicable interest rates per annum on restricted cash ranged from 0.00% to 5.20% (2022: 0.00% to 2.10%).

22 SHARE CAPITAL AND SHARE PREMIUM

	Number of ordinary shares	Nominal value of ordinary shares *USD'000*	Number of preferred shares	Nominal value of preferred shares *USD'000*
Authorized:				
As at 1 January and 31 December 2023	**15,000,000,000**	**1,500**	**–**	**–**
As at 1 January and 31 December 2022	15,000,000,000	1,500	–	–

	Number of ordinary shares	Nominal value of ordinary shares *USD'000*	Equivalent nominal value of ordinary shares *RMB'000*	Share premium *RMB'000*
Issued:				
At 1 January 2023	**6,523,873,012**	**636**	**4,238**	**35,080,671**
Newly issued ordinary shares	**–**	**–**	**–**	**–**
Shares issued upon exercise of employee share options	**192,500**	**–**	**–**	**690**
Vesting of restricted awarded shares	**–**	**3**	**24**	**70,400**
Dividend declared	**–**	**–**	**–**	**(187,456)**
As at 31 December 2023	**6,524,065,512**	**639**	**4,262**	**34,964,305**
At 1 January 2022	6,519,050,012	632	4,204	34,976,080
Newly issued ordinary shares	4,660,000	–	–	–
Release of ordinary shares from Share Scheme Trusts	–	–	1	2,007
Shares issued upon exercise of employee share options	163,000	–	–	584
Vesting of restricted awarded shares	–	4	33	102,000
As at 31 December 2022	6,523,873,012	636	4,238	35,080,671

23 OTHER RESERVES

	Note	**Capital reserves** *RMB'000*	**Statutory surplus reserve** *RMB'000*	**Share-based compensation reserve** *RMB'000*	**Shares held for share award scheme** *RMB'000*	**Currency translation differences** *RMB'000*	**Total** *RMB'000*
At 1 January 2023		**(431,554)**	**117,543**	**1,175,591**	**(1,489)**	**334,991**	**1,195,082**
Currency translation differences		**–**	**–**	**–**	**–**	**8,177**	**8,177**
Share-based compensation	*24*	**–**	**–**	**74,750**	**–**	**–**	**74,750**
Shares issued upon exercise of employee share options		**–**	**–**	**(688)**	**–**	**–**	**(688)**
Vesting of restricted awarded shares		**–**	**–**	**(81,340)**	**10,916**	**–**	**(70,424)**
Purchase of restricted shares under share award scheme	*24*	**–**	**–**	**–**	**(11,474)**	**–**	**(11,474)**
Appropriation to statutory reserves		**–**	**100,959**	**–**	**–**	**–**	**100,959**
At 31 December 2023		**(431,554)**	**218,502**	**1,168,313**	**(2,047)**	**343,168**	**1,296,382**
At 1 January 2022		(431,554)	98,410	1,160,559	(904)	140,875	967,386
Currency translation differences		–	–	–	–	194,116	194,116
Share-based compensation	*24*	–	–	134,534	–	–	134,534
Release of ordinary shares from Share Scheme Trusts	*24*	–	–	(2,002)	–	–	(2,002)
Shares issued upon exercise of employee share options		–	–	(583)	–	–	(583)
Vesting of restricted awarded shares		–	–	(116,917)	14,884	–	(102,033)
Purchase of restricted shares under share award scheme	*24*	–	–	–	(15,469)	–	(15,469)
Appropriation to statutory reserves		–	19,133	–	–	–	19,133
At 31 December 2022		(431,554)	117,543	1,175,591	(1,489)	334,991	1,195,082

24 SHARE-BASED PAYMENTS

The total expenses recognized in the consolidated income statement for share-based awards granted to the Group's employees are RMB74,750,000 for the year ended 31 December 2023 (2022: RMB134,534,000).

(a) Shares options granted to employees under the Pre-IPO Share Option Scheme

The exercise price of the granted options to employees is USD0.0014. The options have graded vesting terms determined in the grant letter, on the condition that employees remain in service without any performance requirements. The vesting dates are determined by the Company and grantees for each option agreement. The granted options have a contractual option term of ten years. The Group has no legal or constructive obligation to repurchase or settle the options in cash.

Movements in the number of share options granted to employees outstanding are as follows:

	Number of share options	
	2023	2022
Outstanding as at 1 January	**235,356,348**	236,079,348
Exercised during the year	**(192,500)**	(723,000)
Outstanding as at 31 December	**235,163,848**	235,356,348
Exercisable as at 31 December	**235,163,848**	235,356,348

The directors have used the discounted cash flow method to determine the underlying equity fair value of the Company and adopted an equity allocation model to determine the fair value of the underlying ordinary shares. Key assumptions, such as discount rate and projections of future performance, are required to be determined by the directors using their best estimates.

Based on the fair value of the underlying ordinary shares, the directors have used a Binomial option-pricing model to determine the fair value of the share options as at the grant date. Key assumptions are set as below:

	3 July 2017	**1 October 2017**
Fair value per share	USD3.70	USD4.90
Exercise price	USD0.01	USD0.01
Risk-free interest rate	2.50%	2.46%
Dividend yield	0.00%	0.00%
Expected volatility	51%	56%
Expected terms	10 years	10 years
Weighted-average remaining contractual life	3.5 years	3.75 years
Weighted-average fair value per option granted	USD3.69	USD4.89
Weighted-average fair value per option granted (after the effect of the Capitalization Issue)	USD0.53	USD0.70

The directors estimated the risk-free interest rate based on the yield of US Treasury Strips with a maturity life closed to the remaining maturity life of the share option. Volatility was estimated at grant date based on average of historical volatilities of the comparable companies with length commensurable to the time to maturity of the share option. Dividend yield is based on management estimation at the grant date. Before IPO, the directors have only granted two batches of share options to employees under the Pre-IPO Share Option Scheme.

(b) Restricted share units ("RSUs") granted to employees under the First and Second Share Award Scheme

Starting from 2018, the Group granted RSUs to the Group's employees under the First and Second Share Award Scheme ("**Share Award Scheme**"). The RSUs granted would vest on specific dates, or in equal tranches from the grant date over two to four years, on condition that employees remain in service without any performance requirements. Once the vesting conditions underlying the respective RSUs are met, the RSUs are considered duly and validly issued to the holder, and free of restrictions on transfer.

Movements in the number of RSUs granted to the Group's employees and the respective weighted-average grant date fair value are as follows:

	Number of RSUs	**Weighted average fair value per RSU** ***(USD)***
Outstanding as at 1 January 2023	**131,279,360**	**USD0.30**
Granted during the year	**4,400,000**	**USD0.14**
Vested and sold during the year	**(45,326,787)**	**USD0.28**
Forfeited during the year	**(3,340,000)**	**USD0.15**
Outstanding as at 31 December 2023	**87,012,573**	**USD0.28**
Vested as at 31 December 2023	**183,818,087**	**USD0.29**
Outstanding as at 1 January 2022	207,379,725	USD0.28
Granted during the year	4,660,000	USD0.10
Vested and sold during the year	(63,785,375)	USD0.24
Forfeited during the year	(16,974,990)	USD0.23
Outstanding as at 31 December 2022	131,279,360	USD0.30
Vested as at 31 December 2022	138,491,300	USD0.29

The fair value of RSUs is determined based on the closing price of the Group's publicly traded ordinary shares on the date of grant.

(c) Expected Retention Rate

The Group has to estimate the expected yearly percentage of grantees that will stay within the Group at the end of the vesting periods of the share options and RSUs (the "**Expected Retention Rate**") in order to determine the amount of share-based compensation expenses charged to the consolidated income statement. As at 31 December 2023, the Expected Retention Rate for the Group's directors, senior management members, and other employees was assessed to be 100%, 100% and 95%, respectively (31 December 2022: 100%, 100% and 91%).

25 TRADE PAYABLES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Trade payables	**901,487**	841,351

An aging analysis of trade payables based on transaction date is as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Up to 3 months	**791,244**	785,384
3 to 6 months	**3,874**	15,870
6 months to 1 year	**78,414**	15,355
Over 1 year	**27,955**	24,742
	901,487	841,351

26 RISK ASSURANCE LIABILITIES

A summary of the Group's risk assurance liabilities movement for the years ended 31 December 2023 and 2022 is presented below:

	2023	2022
	RMB'000	*RMB'000*
As at 1 January	**1,150,498**	651,958
Addition arising from new business	**1,695,585**	1,136,708
Gains from risk assurance liabilities	**(1,021,009)**	(556,703)
ECL	**158,059**	228,310
Payouts during the year, net	**(380,400)**	(309,775)
As at 31 December	**1,602,733**	1,150,498

As at 31 December 2023, the ECL allowance of risk assurance liabilities amounted to approximately RMB872,295,000 (2022: RMB997,240,000).

27 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Other payables to related parties	**295,437**	340,945
Accrued expenses	**139,358**	147,186
Deposits payable	**136,290**	144,796
Advances from customers	**135,664**	93,855
Staff costs and welfare accruals	**119,476**	117,813
Deferred other income – current	**76,101**	75,509
Tax payable	**48,866**	47,555
Others	**63,422**	175,365
	1,014,614	1,143,024

As at 31 December 2023 and 2022, the carrying amounts of the Group's other payables and accruals, excluding advances from customers, staff costs and welfare accruals, tax payable, deferred revenue and other accruals, approximate their fair values at each of the reporting date.

28 BORROWINGS

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Included in non-current liabilities:		
Unsecured borrowings	**6,444,408**	863,681
Asset-backed securitization debt	**2,784,331**	1,585,582
Other secured borrowings	**837,710**	953,987
Pledge borrowings	**785,172**	1,282,875
	10,851,621	4,686,125
Included in current liabilities:		
Unsecured borrowings	**5,111,983**	1,648,549
Asset-backed securitization debt	**3,380,268**	2,383,527
Other secured borrowings	**3,457,204**	3,633,791
Pledge borrowings	**354,706**	160,280
	12,304,161	7,826,147
Total borrowings	**23,155,782**	12,512,272

29 DEFERRED INCOME TAX

The analysis of deferred income tax assets and deferred income tax liabilities is as follows:

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Deferred income tax assets:		
– To be recovered within 12 months	**598,432**	708,558
Set-off of deferred income tax assets	**(37,081)**	–
Net deferred income tax assets	**561,351**	708,558
Deferred income tax liabilities:		
– To be recovered after 12 months	**(113,410)**	(89,503)
– To be recovered within 12 months	**(91)**	(91)
	(113,501)	(89,594)
Set-off of deferred income tax liabilities	**37,081**	–
Net deferred income tax liabilities	**(76,420)**	(89,594)

The gross movements on the deferred income tax account are as follows:

	Year ended 31 December	
	2023	2022
	RMB'000	*RMB'000*
At 1 January	**618,964**	652,483
Credited to consolidated income statement	**(133,859)**	(33,519)
Currency translation differences	**(174)**	–
At the end of the year	**484,931**	618,964

30 OTHER NON-CURRENT LIABILITIES

	As at 31 December	
	2023	2022
	RMB'000	*RMB'000*
Deferred other income	**880,476**	929,831
Long-term deposits payable	**680**	9,302
Other liabilities	**709**	992
	881,865	940,125

31 CONTINGENCIES

The Group did not have any material contingent liabilities as at 31 December 2023 (2022: nil).

32 SUBSEQUENT EVENTS

Since year end, the directors have recommended the payment of final dividend of HK3.00 cents per fully paid ordinary share. Subject to the approval at the Annual General Meeting, the aggregate amount of the proposed dividend expected to be paid on 3 June 2024 out of profit for the year at 31 December 2023, but not recognised as a liability at year end, is HKD195.7 million (equivalent to RMB177.6 million).

On 27 December 2023, Yixin Holding Hong Kong Limited ("**Yixin HK**") entered into the Equity Transfer Agreements with Qingdao Caitong Group Co., Ltd. ("**Caitong Group**"), pursuant to which Yixin HK agreed to sell, and Caitong Group agreed to acquire, 49% of the equity interests in Qingdao Caitong Yixin (representing the entire equity interest in Qingdao Caitong Yixin held by the Group) at the consideration of up to RMB280 million. The transaction has been approved by the board of Directors of the Company and was expected to complete within 75 days from the date of the Equity Transfer Agreements. As at the date of this announcement, the transaction has been closed.

OTHER INFORMATION

Purchase, Sale or Redemption of the Company's Listed Securities

During the Reporting Period, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

Compliance with the Corporate Governance Code

The Company is committed to maintaining and promoting stringent corporate governance. The principle of the Company's corporate governance is to promote effective internal control measures, uphold a high standard of ethics, transparency, responsibility and integrity in all aspects of business, to ensure that its affairs are conducted in accordance with applicable laws and regulations and to enhance the transparency and accountability of the Board to all our shareholders.

The Company adopted the code provisions as set out in the CG Code contained in Appendix C1 to the Listing Rules. In the opinion of the Directors, throughout the Reporting Period, the Company has complied with all applicable code provisions set out in the CG Code, save and except for the following deviation from code provision C.2.1 of the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Andy Xuan Zhang is the Chairman and Chief Executive Officer of the Company. The Board believes that vesting the roles of both Chairman and Chief Executive Officer in Mr. Andy Xuan Zhang has the benefit of ensuring consistent leadership within the Group and enables more effective and efficient overall strategic planning for the Group. Furthermore, the Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of Chairman and Chief Executive Officer of the Company at a time when it is appropriate by taking into account the circumstances of the Group as a whole.

Further information of the corporate governance practice of the Company is set out in the corporate governance report in the annual report of the Company for the Reporting Period.

The Company will continue to regularly review and monitor its corporate governance practices to ensure compliance with the CG Code, and maintain a high standard of corporate governance practices of the Company.

Compliance with the Model Code for Securities Transactions by Directors of Listed Issuers

The Company has devised its own code of conduct regarding securities transactions, regarding Directors' and relevant employees' dealings in the Company's securities on terms no less exacting than the Model Code. Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Company's Securities Dealing Code during the Reporting Period.

The Company's Securities Dealing Code also applies to all relevant employees of the Company who are likely to be in possession of inside information of the Company. No incident of non-compliance of the Company's Securities Dealing Code by the relevant employees was noted by the Company.

Event Occurring after the Reporting Period

From January 1, 2024 to the date of this announcement, there was no important event or transaction affecting the Group and which is required to be disclosed by the Company to its shareholders.

Audit Committee and Review of Financial Statements

The Company has established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, the Audit Committee comprises three independent non-executive Directors, namely Mr. Chester Tun Ho Kwok, Mr. Tin Fan Yuen and Ms. Lily Li Dong. Mr. Chester Tun Ho Kwok is the chairman of the Audit Committee.

The Audit Committee has reviewed the audited consolidated financial statements of the Group for the Reporting Period. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management and PricewaterhouseCoopers. Based on this review and discussions with the management, the Audit Committee was satisfied that the Group's audited consolidated financial statements were prepared in accordance with applicable accounting standards and fairly present the Group's financial position and results for the Reporting Period.

The consolidated financial statements of the Group for the Reporting Period have been audited by PricewaterhouseCoopers.

Scope of Work of the Auditor

The figures contained in this announcement of the Group's consolidated results and the related notes thereto for the Reporting Period have been agreed by PricewaterhouseCoopers, to the figures set out in the audited consolidated financial statements of the Group for the Reporting Period. PricewaterhouseCoopers performed this work in accordance with Hong Kong Standard on Related Services 4400 "Engagements to Perform Agreed-upon Procedures Regarding Financial Information" and with reference to Practice Note 730 (Revised) "Guidance for Auditors Regarding Preliminary Announcements of Annual Results" issued by the HKICPA. The work performed by PricewaterhouseCoopers in this respect does not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements, or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by PricewaterhouseCoopers on this announcement.

Use of Proceeds

Our shares were listed on the Stock Exchange on November 16, 2017 and the net proceeds raised during our IPO amounted to approximately HK$6,508 million (equivalent to RMB5,525 million). There was no change in the intended use of net proceeds as previously disclosed in the Prospectus.

As at December 31, 2023, the Group had utilised the proceeds as set out in the table below:

	Net proceeds from the IPO		Utilization up to December 31, 2023		Utilization during the Reporting Period		Unutilized amount	
	HK$'000	*RMB'000*	*HK$'000*	*RMB'000*	*HK$'000*	*RMB'000*	*HK$'000*	*RMB'000*
Sales and marketing	1,952,278	1,657,523	1,952,278	1,657,523	–	–	–	–
Research and technology capabilities enhancement	1,301,519	1,105,016	1,265,168	1,074,153	220,613	187,305	36,351	30,863
Self-operated financing business	1,301,519	1,105,016	1,301,519	1,105,016	–	–	–	–
Potential investments or acquisitions	1,301,519	1,105,016	1,301,519	1,105,016	–	–	–	–
Working capital and other general corporate purposes	650,760	552,506	650,760	552,506	–	–	–	–
Total	**6,507,595**	**5,525,077**	**6,471,244**	**5,494,214**	**220,613**	**187,305**	**36,351**	**30,863**

We will gradually apply the unutilised net proceeds in the manner set out in the Prospectus. Subject to further review as and when appropriate, the unutilised net proceeds for research and technology capabilities enhancement are expected to be fully used up by the end of 2024.

Dividend

The Board recommended the payment of a final dividend of HK3.00 cents per Share for the year ended December 31, 2023 (2022: a final dividend and a special dividend of HK1.95 cents per Share and HK1.30 cents per Share, respectively) to Shareholders whose names appear on the register of members of the Company on Tuesday, May 21, 2024. The total amount of the proposed final dividend is estimated to be approximately HK$195.7 million (equivalent to approximately RMB177.6 million) based on 6,524,065,512 Shares in issue as at the date of this announcement. The Shareholders are reminded that there is no assurance that a dividend will be proposed or declared in any subsequent periods. The Board will continue to review and assess from time to time in accordance with the dividend policy of the Company to determine whether any dividend payment will be proposed or declared in the future.

Annual General Meeting

The Annual General Meeting is scheduled to be held on Wednesday, May 8, 2024. A notice convening the Annual General Meeting will be published and disseminated to our shareholders in accordance with the requirements of the Listing Rules in due course.

Closure of Register of Members

In order to determine the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, May 3, 2024 to Wednesday, May 8, 2024, both dates inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, May 2, 2024.

For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from Thursday, May 16, 2024 to Tuesday, May 21, 2024, both dates inclusive, during which period no transfer of shares will be registered. The record date on which the Shareholders are qualified to receive the proposed final dividend is Tuesday, May 21, 2024. In order to be qualified for the proposed final dividend, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, May 14, 2024.

Publication of Annual Results and Annual Report

This annual results announcement is published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.yixincars.com). The annual report of the Group for the Reporting Period will be published on the aforesaid websites and disseminated to our Shareholders in due course.

APPRECIATION

On behalf of the Group, I extend my heartfelt thanks to our customers and partners, as well as my deep appreciation for the commitment and contributions of our employees and management team. I am also grateful for the trust and support from our Shareholders and stakeholders.

DEFINITIONS

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

"affiliate(s)"	any company that directly or indirectly controls, is controlled by or is under common control of the company in question, provided that control shall mean the possession, directly or indirectly, of the power to direct or cause the direction of the management of a company, whether through the ownership of voting securities, by contract, credit arrangement or proxy, as trustee, executor, agent or otherwise, and accordingly, for the purpose of the definition of affiliate(s), a company shall be deemed to control another company if such first company, directly or indirectly, owns or holds more than 50% of the voting equity securities in such other company, and terms deriving from control, such as "controlling" and "controlled", shall have a meaning corollary to that of control
"Annual General Meeting"	the annual general meeting of the Company to be held on Wednesday, May 8, 2024
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Beijing Yixin"	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 and the Consolidated Affiliated Entity
"Board"	the board of Directors
"CG Code"	the Corporate Governance Code set out in Appendix C1 of the Listing Rules
"China" or "PRC"	the People's Republic of China and, except where the context requires and only for the purpose of this announcement, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company" or "Yixin"	Yixin Group Limited (易鑫集团有限公司), an exempted company incorporated under the laws of the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2858)
"Company's Securities Dealing Code"	the Company's own code of conduct for securities transactions regarding the Directors' and relevant employees' dealings in the securities of the Company on terms no less exacting than the Model Code
"Consolidated Affiliated Entity"	the entity the Company controls through the Contractual Arrangements, namely Beijing Yixin

"Contractual Arrangements"	the series of contractual arrangements entered into by, among others, Tianjin Kars, our Consolidated Affiliated Entity and its shareholders in respect of, among others, the Company's effective control over the Consolidated Affiliated Entity
"Director(s)"	the director(s) of the Company
"FinTech"	the financial technology
"First Share Award Scheme"	the share award scheme of the Company, which was adopted on May 26, 2017 and amended on September 1, 2017 and May 6, 2021, further details of which are disclosed in the section headed "Statutory and General Information – Pre-IPO Share Option and Share Award Schemes – First Share Award Scheme" in Appendix IV to the Prospectus
"Group", "our Group", "we", "us" or "our"	the Company, its subsidiaries and the Consolidated Affiliated Entity (the financial results of which have been consolidated and accounted for as a subsidiary of the Company by virtue of the Contractual Arrangements) from time to time
"HKICPA"	the Hong Kong Institute of Certified Public Accountants
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"IFRSs"	International Financial Reporting Standards, as issued from time to time by the International Accounting Standards Board
"IPO"	initial public offering of the Shares on the Main Board
"Listing"	the listing of the Shares on the Main Board
"Listing Date"	November 16, 2017, the date the Shares were listed on the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
"Main Board"	the stock market (excluding the options market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"NEV(s)"	the new energy vehicle(s)
"OEM(s)"	the original equipment manufacturer(s)
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme approved and adopted by the Board on May 26, 2017 and amended on September 1, 2017, the principal terms of which are set out in the section headed "Statutory and General Information – Pre-IPO Share Option and Share Award Schemes – Pre-IPO Share Option Scheme" of the Prospectus
"PricewaterhouseCoopers"	the Group's auditor
"Prospectus"	the prospectus of the Company dated November 6, 2017
"Reporting Period"	the year ended December 31, 2023
"RMB"	Renminbi, the lawful currency of the PRC
"SaaS"	software-as-a-service
"Second Share Award Scheme"	the share award scheme conditionally approved and adopted by written resolutions of all the Shareholders on September 1, 2017 and effective from the Listing Date, the principal terms of which are set out in the section headed "Statutory and General Information – Pre-IPO Share Option and Share Award Schemes – Second Share Award Scheme" of the Prospectus
"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.0001 each
"Shareholder(s)"	holder(s) of Share(s) from time to time
"State Council"	the State Council of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules

"Tianjin Kars"	Tianjin Kars Information Technology Co., Ltd.* (天津卡爾斯信息科技有限公司), a wholly foreign-owned enterprise established under the laws of the PRC and a wholly-owned subsidiary of the Company
"United States" or "US"	the United States of America, its territories, possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"Yusheng"	Yusheng Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability
"%"	per cent

* *for identification purpose only*

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

Hong Kong, February 29, 2024

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

Executive Directors	Mr. Andy Xuan Zhang and Mr. Dong Jiang
Non-executive Directors	Mr. Qing Hua Xie, 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