



YiXin Group

2023 Annual Results Conference

March 1, 2024





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This presentation also includes unaudited non-IFRS financial measures that should be considered in addition to, but not as a substitute for, IFRS-based measures of the Company’s financial performance. Moreover, these non-IFRS financial measures may be defined differently than comparable terms employed by other companies. The management of the company believes that the non-IFRS financial measures provide investors with valuable supplementary information for evaluating the performance of the company’s core operations by excluding certain non-cash items and certain acquisition-related effects. Please refer to our earnings announcement for a detailed explanation of our non-IFRS measures and reconciliations between our IFRS and non-IFRS results.

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The reporting currency of the company is RMB. For the purpose of this presentation, all figures quoted in Japanese Yen are based on the average exchange rate of JPY\$1 to RMB 0.05 in 2023; all figures quoted in Singapore Dollars are based on the average exchange rate of SGD\$1 to RMB 5.26 in 2023; all figures quoted in US dollars are based on the average exchange rate of US\$1 to RMB 7.05 in 2023.



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Overview



**Business
Development**



**Financial
Performance**



**Future
Strategy**

Overview



01

Company Overview

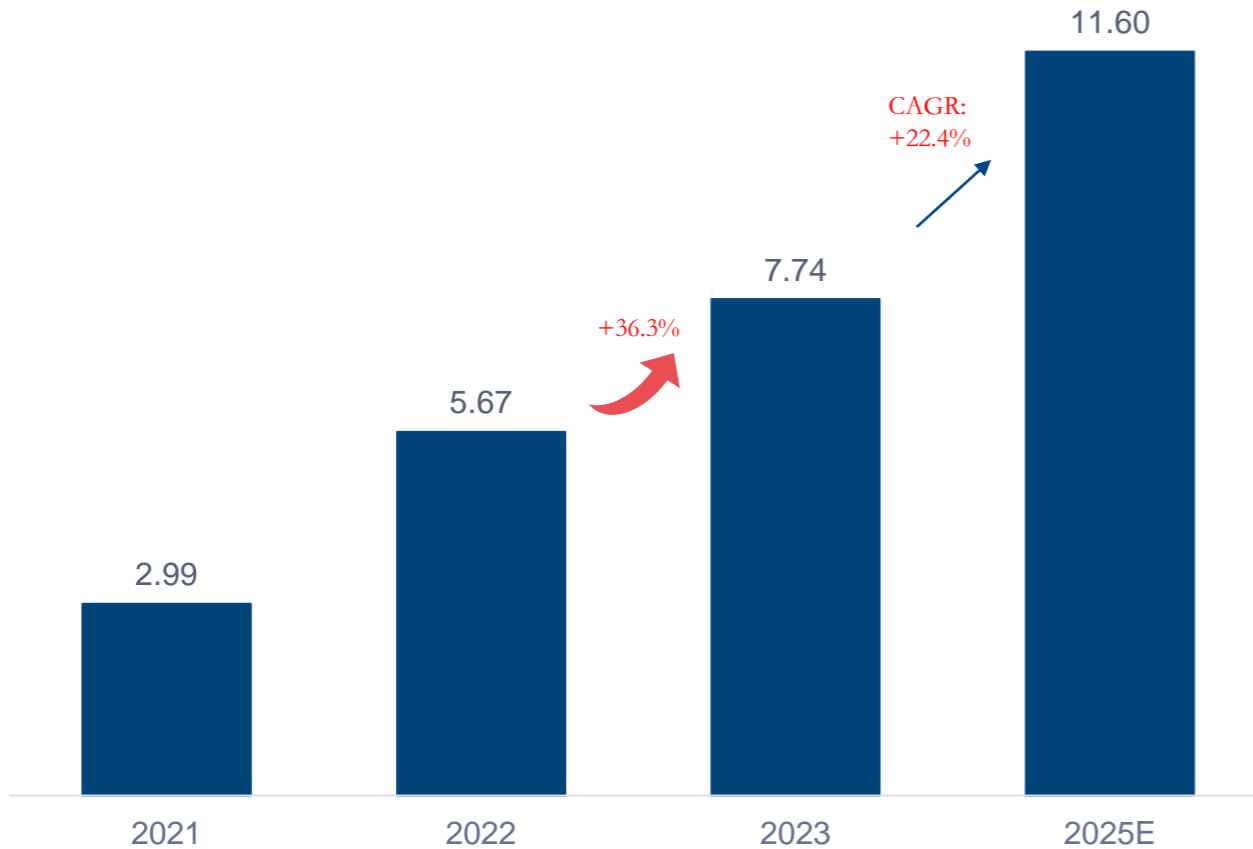




Industry Overview - New Energy Vehicle

New Energy Passenger Vehicle Sales in China

Million



Penetration Rate:

With market expansion deepening, the terminal retail penetration rate >40%.



Policy Stimulus:

The policy of **NEV purchase tax exemption and reduction** has been extended and optimized; **various local replacement subsidies, consumer vouchers**, and other **stimulus policies** are beneficial in supporting NEV consumption.

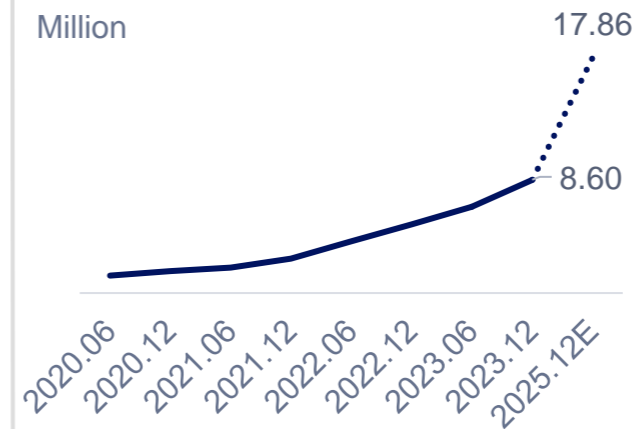


Energy Replenishment Facilities:

Building a **widely covered, structurally rational, and functionally comprehensive high-quality charging infrastructure system**, while encouraging the **adoption of battery swapping**.

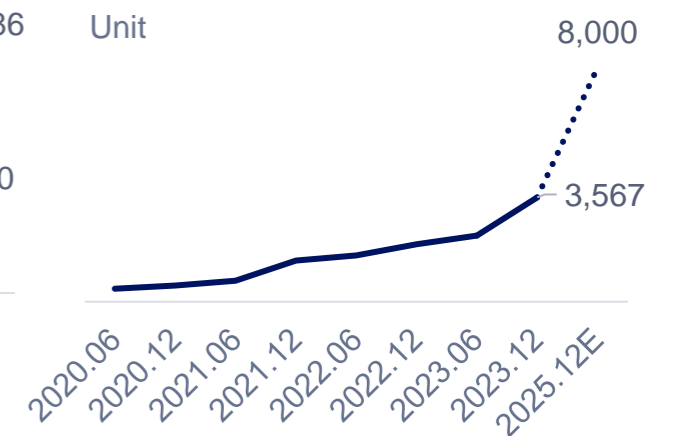
Number of Charging Piles in China

Million



Number of Battery Swapping Stations in China

Unit



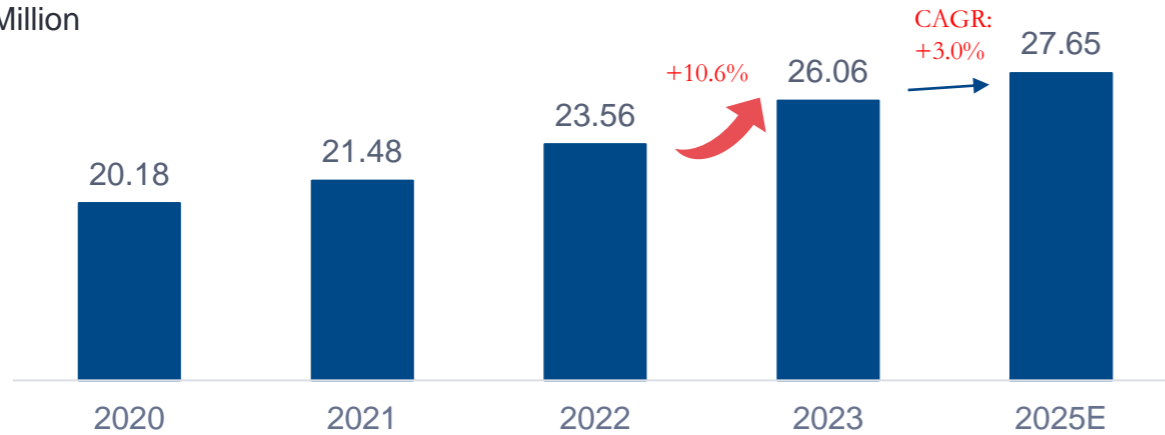
Source: China Passenger Car Association, EVCIPA, Roland Berger, CITIC Securities, iResearch



Industry Overview - New & Used Vehicle

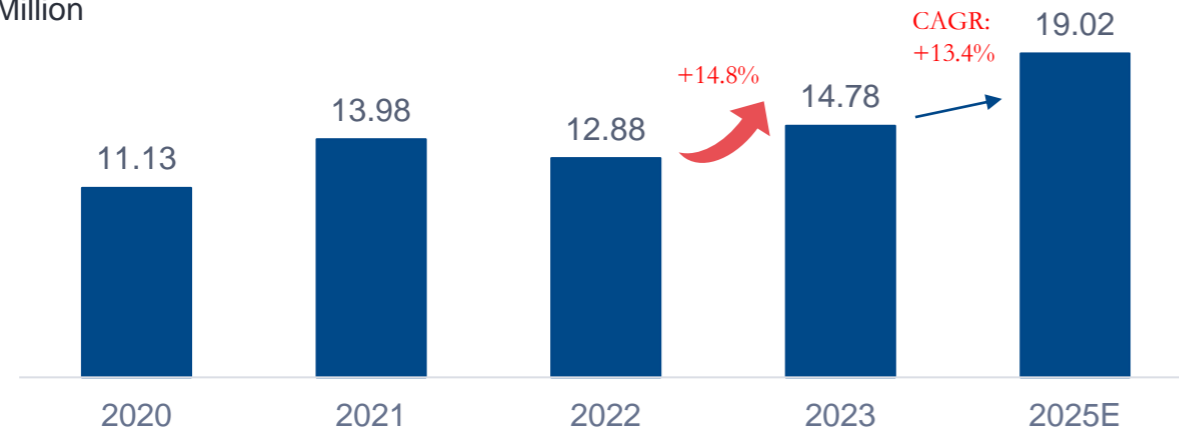
New Passenger Vehicle Sales in China

Million



Used Passenger Vehicle Transactions in China

Million



Policy Overview

- ✓ In July, the NDRC¹ issued the 'Measures on Restoring and Expanding Consumption', **urging the optimization of car purchase and usage management, and enhancing financial support for automobile purchases.**
- ✓ In August, the Traffic Management Bureau of the Ministry of Public Security issued the 'Several Measures for Public Security Organs to Serve and Guarantee High-quality Development', which stated the **need to facilitate the registration of used car transfers and implement the policy of lifting relocation restrictions.**
- ✓ In August, MIIT² along with six other departments, issued the 'Work Plan for Stable Growth of the Automobile Industry (2023-2024)', **emphasizing the pivotal role of the automotive industry in stabilizing the industrial economy.**
- ✓ In September, nine ministries and commissions, including the Ministry of Commerce, announced the 'Guidance on Promoting the High-quality Development of the Automobile Aftermarket', focusing on **seven aspects, including automotive consumer finance, to promote the high-quality development of the automotive aftermarket.**



Future Outlook

Innovation in new car models continue to **iterate and accelerate**, with new car sales maintaining **moderate growth**; while the used car market will further scale up, **entering a high-speed development phase.**

Source: China Association of Automobile Manufacturers, China Automobile Dealers Association

Notes: 1.NDRC: National Development and Reform Commission

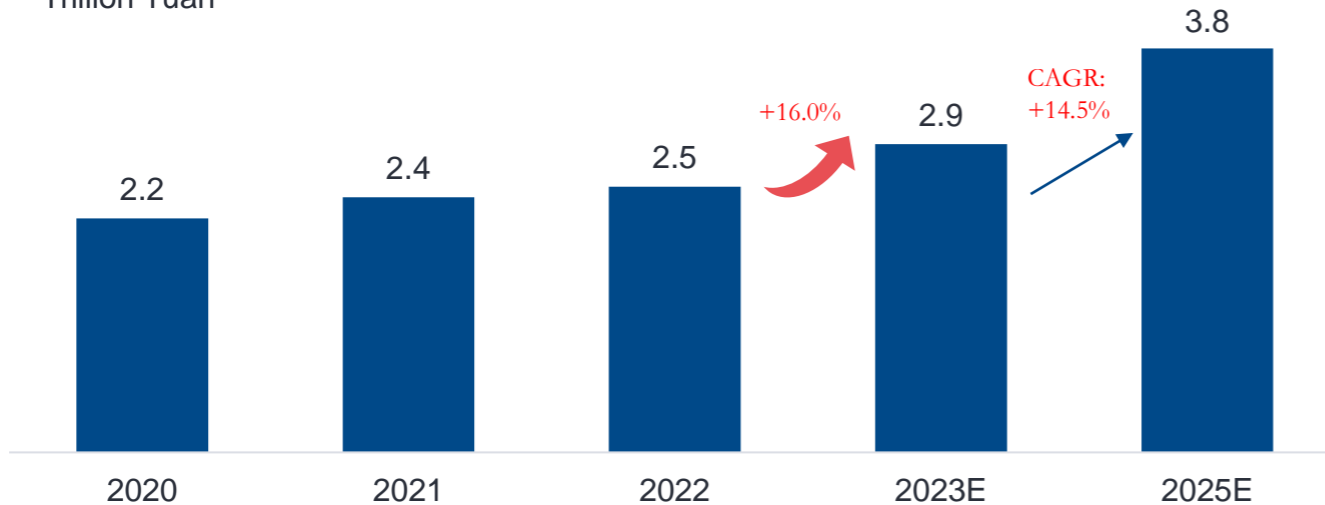
2.MIIT: Ministry of Industry and Information Technology



Industry Overview - Auto Finance

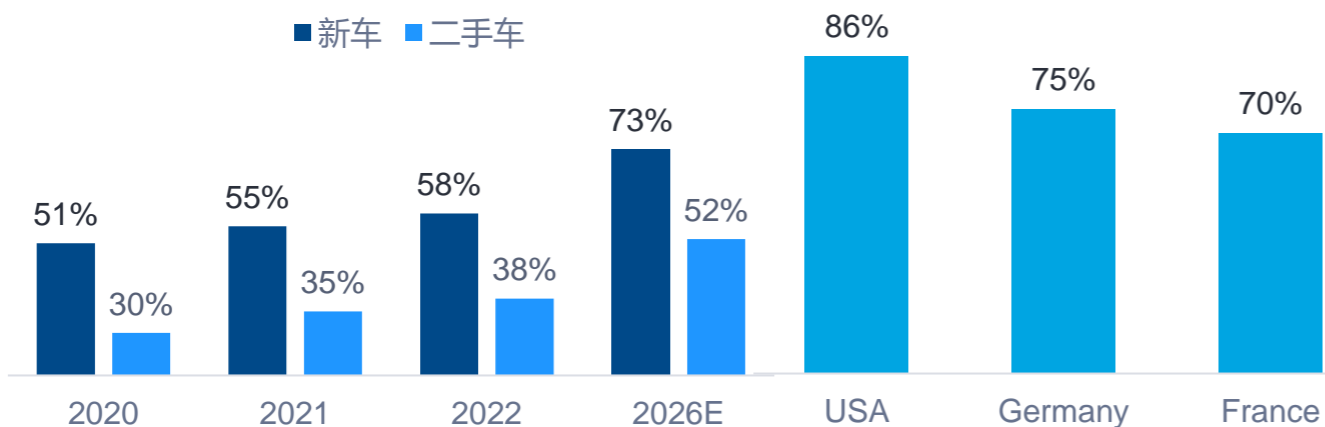
Market Size of Auto Finance in China

Trillion Yuan



Financial Penetration Rate in China & Developed Overseas Markets

■ 新车 ■ 二手车



Policy Overview

- ✓ In July, the Ministry of Commerce and 16 other ministries issued the 'Notice on Several Measures to Revitalize Automobile Circulation and Expand Automobile Consumption', **emphasizing the orderly development of automobile financing leasing, strengthening cooperation between OEMs and financing leasing enterprises, and increasing the supply of financial services.**
- ✓ In September, 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', **promoting the development of credit consumption and reasonably increasing consumer credit support for the purchase of durable goods such as automobiles.**
- ✓ In October, the National Financial Regulatory Administration released the 'Notice on Financial Support for Restoring and Expanding Consumption', **which included proposals to expand automobile consumption, optimize auto loan policies, and enrich auto finance product offerings.**



Future Outlook

The auto finance market is expected to **maintain high-speed growth in the foreseeable future**. Driven by **the maturation of electric vehicles and AI technologies**, various components in the industry chain are fostering **new scenarios for automotive finance services.**

Business Development

02





Operational Highlights

Total Financing Amount

65.9

Billion Yuan

+24%

NEV Financing Amount

12.4

Billion Yuan

+200%

Fintech Financing Amount

10.2

Billion Yuan

+563%

Value-added Service¹ Revenue

225

Million Yuan

+23%

90+ Days Past Due Ratio

1.89%

-3bps

Source: Company Report

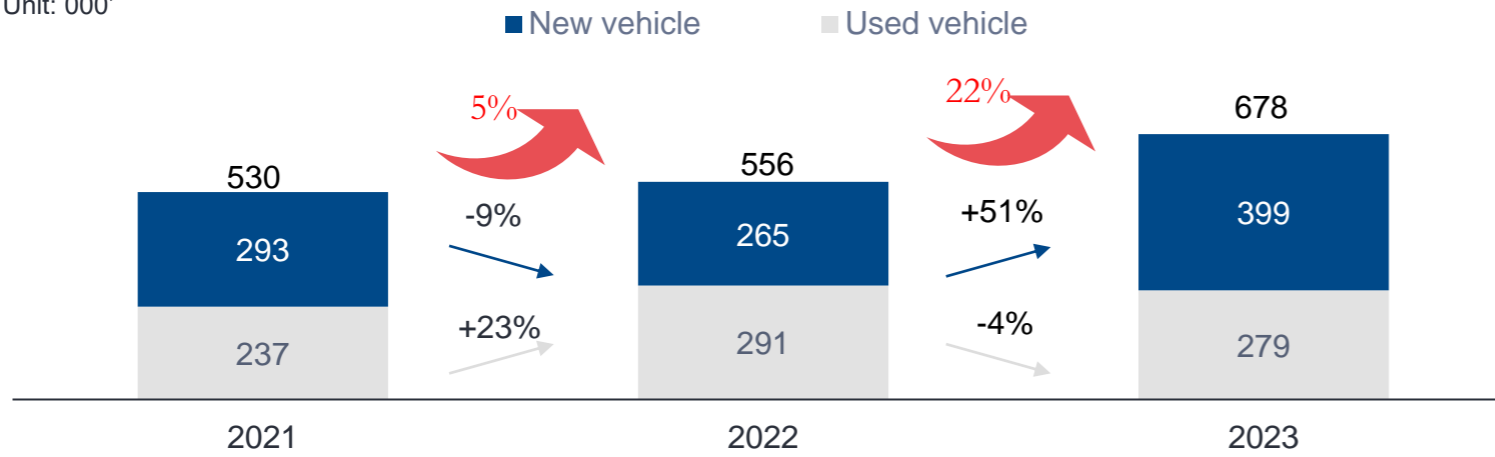
Note: 1. Value-added service includes GPS, 'Rights and Interests Package' and so on



Business Development (1/2)

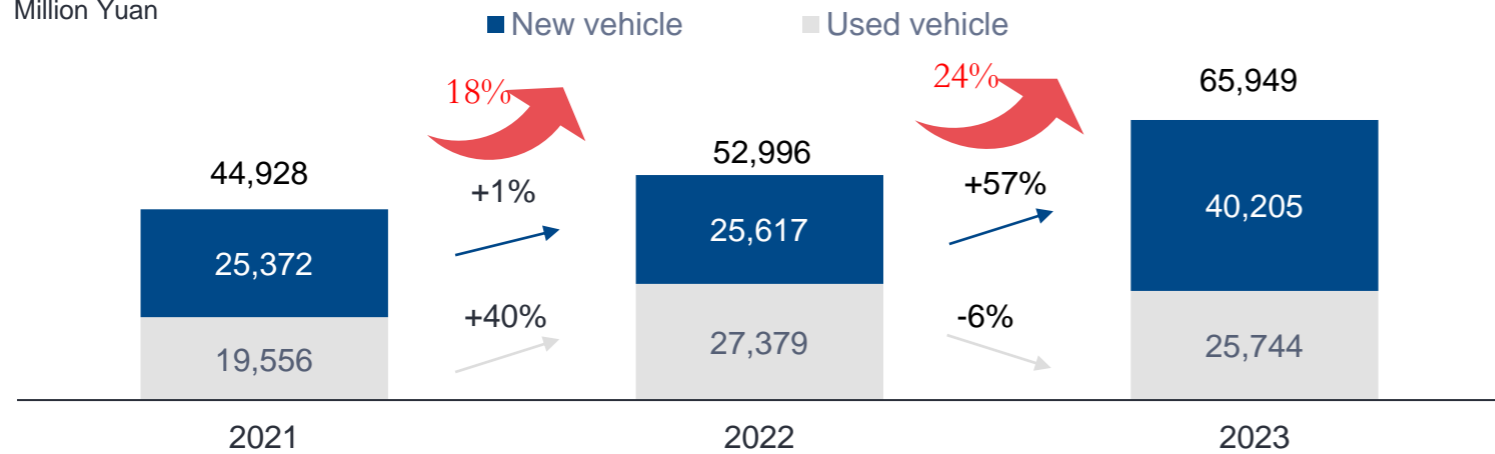
Total Financing Transactions

Unit: 000'



Total Financing Amount

Million Yuan

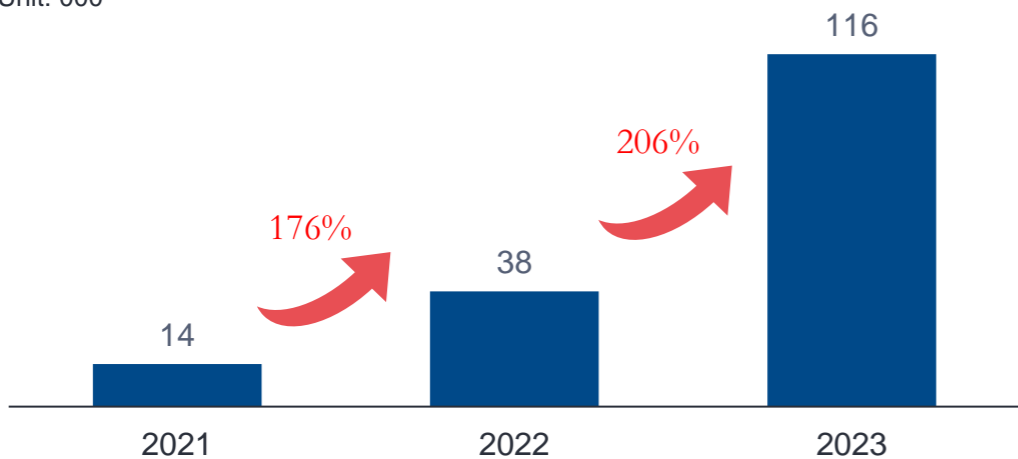




Business Development (2/2)

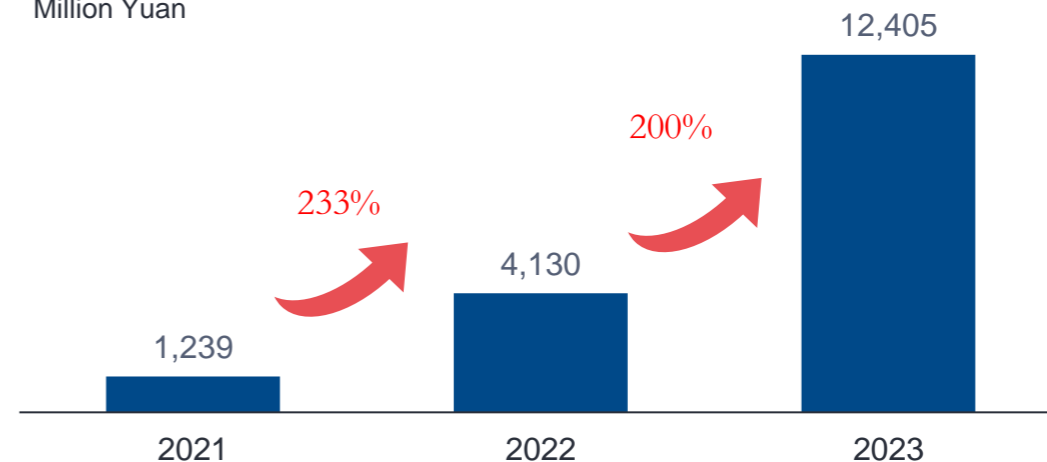
NEV Financing Transactions

Unit: 000'



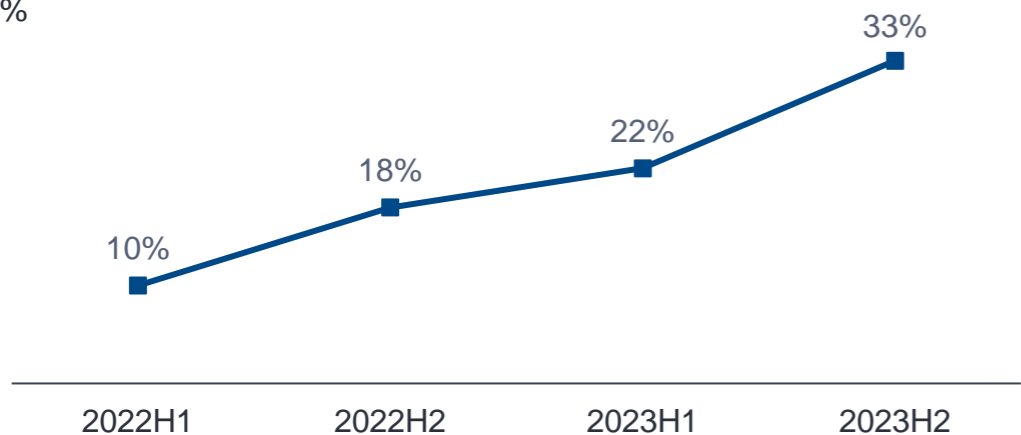
NEV Financing Amount

Million Yuan



NEV Penetration in New Vehicle Business

%





Innovative FinTech Business

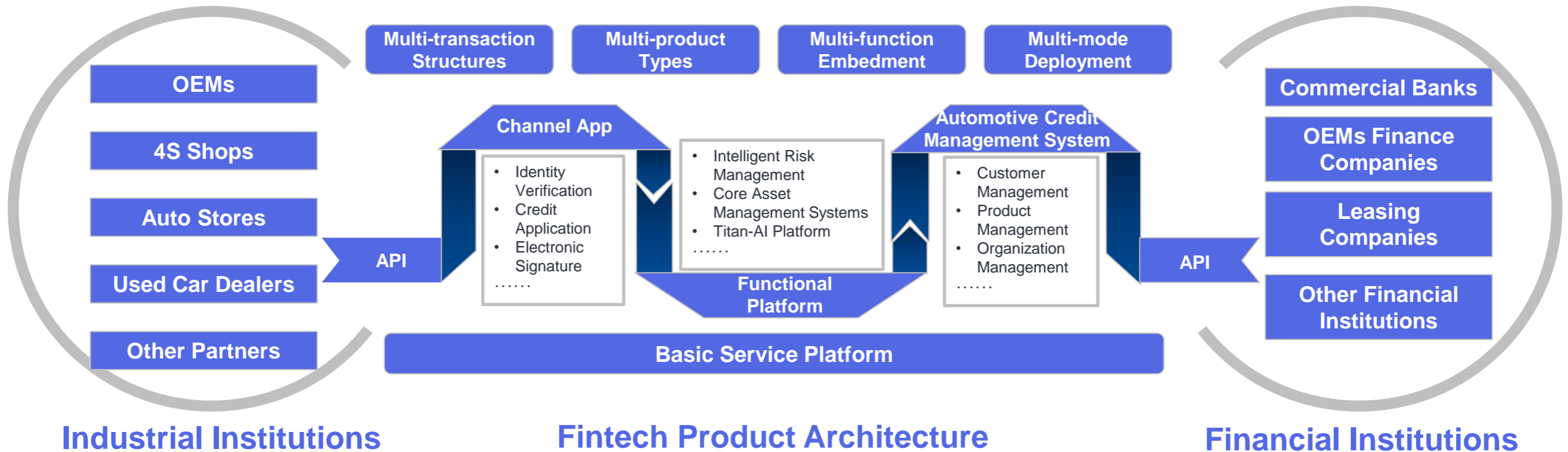
Four Key Highlights

Launching 9 New Projects in 2023

~10.2 Billion Financing Amount

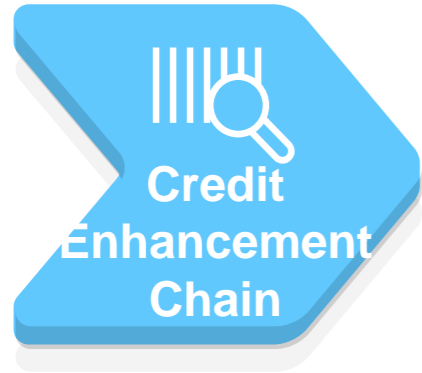
463 Million Revenue YoY 280%

40% NEV Penetration Rate





Evolving Risk Management Capability



Efficient Approval



Upload Materials, **about 5 Minutes**



Automatic Audit, **Results in Seconds**



Online One-stop Verification to Avoid **False Information**



Increase in **Approval and Conversion Rates**

The 'Credit Enhancement Chain' improves order entry efficiency and approval efficiency from preliminary review to final review.



Precise Risk Control

Multiple Machine Learning Algorithms
XGBoost
LightGBM
.....



Approximately 6 Million Customer in Final Credit Review

Automatic Approval Rate

2023: 63%

↑ +5%

2022: 58%

Multi-dimensional Credit Assessment

Distinguishing various business scenarios; Incorporating a wider range of machine learning algorithms; Jointly modeling with UnionPay, Bairong, and other partners.

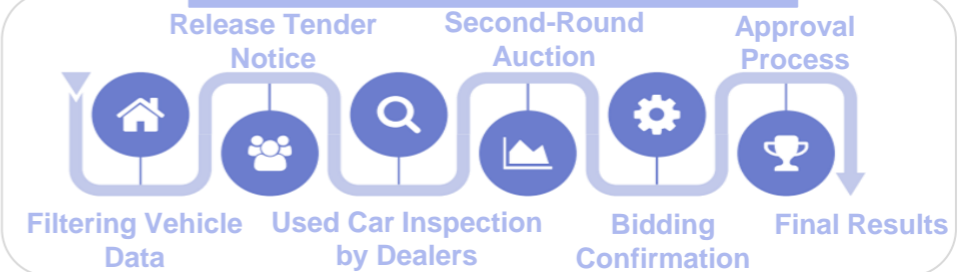


Discretionary Post-financing Strategy

Intelligent Applications Powered by AI

- ✓ Timely SMS Alerts
- ✓ Smart-call Reminders for Repayment
- ✓ Smart-credit Reporting System

Yixin Auction Platform



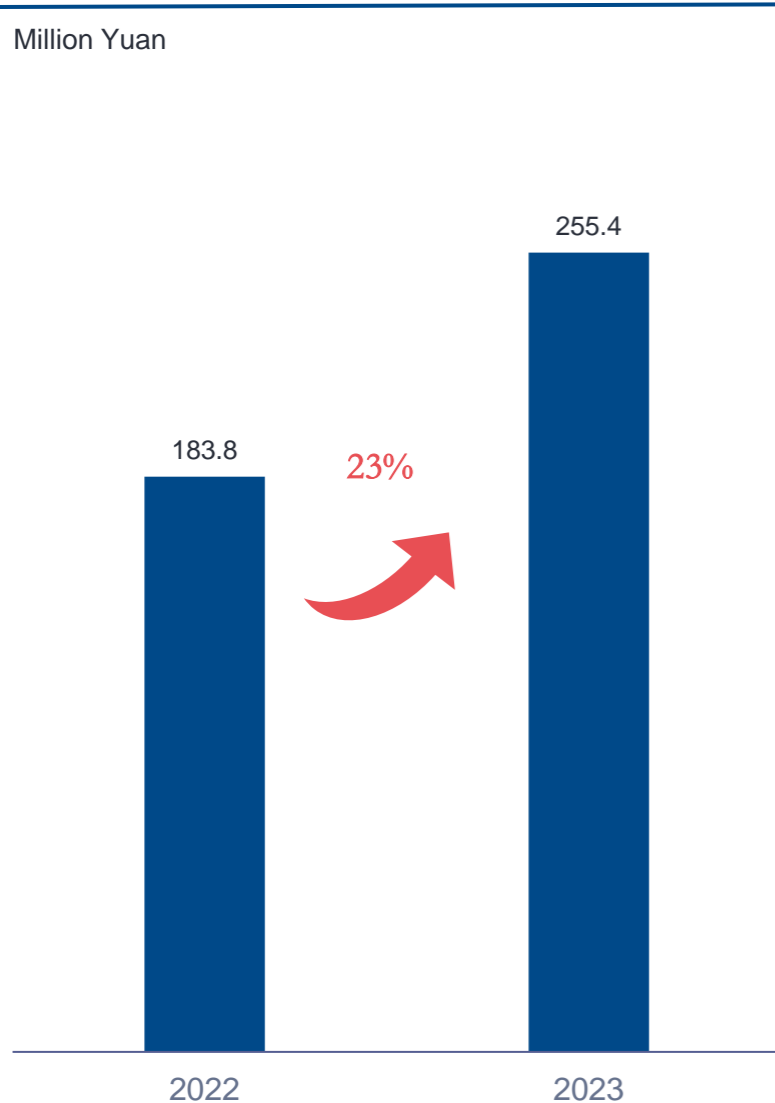
AI tools help improve asset recovery efficiency. The Yixin Auction Platform improves the efficiency of asset disposal.



Abundant Value-added Services

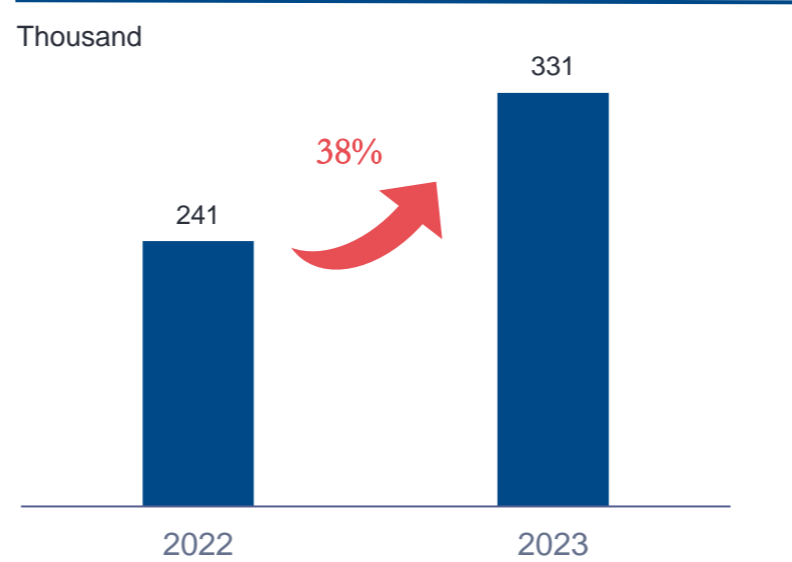
Revenue

Million Yuan



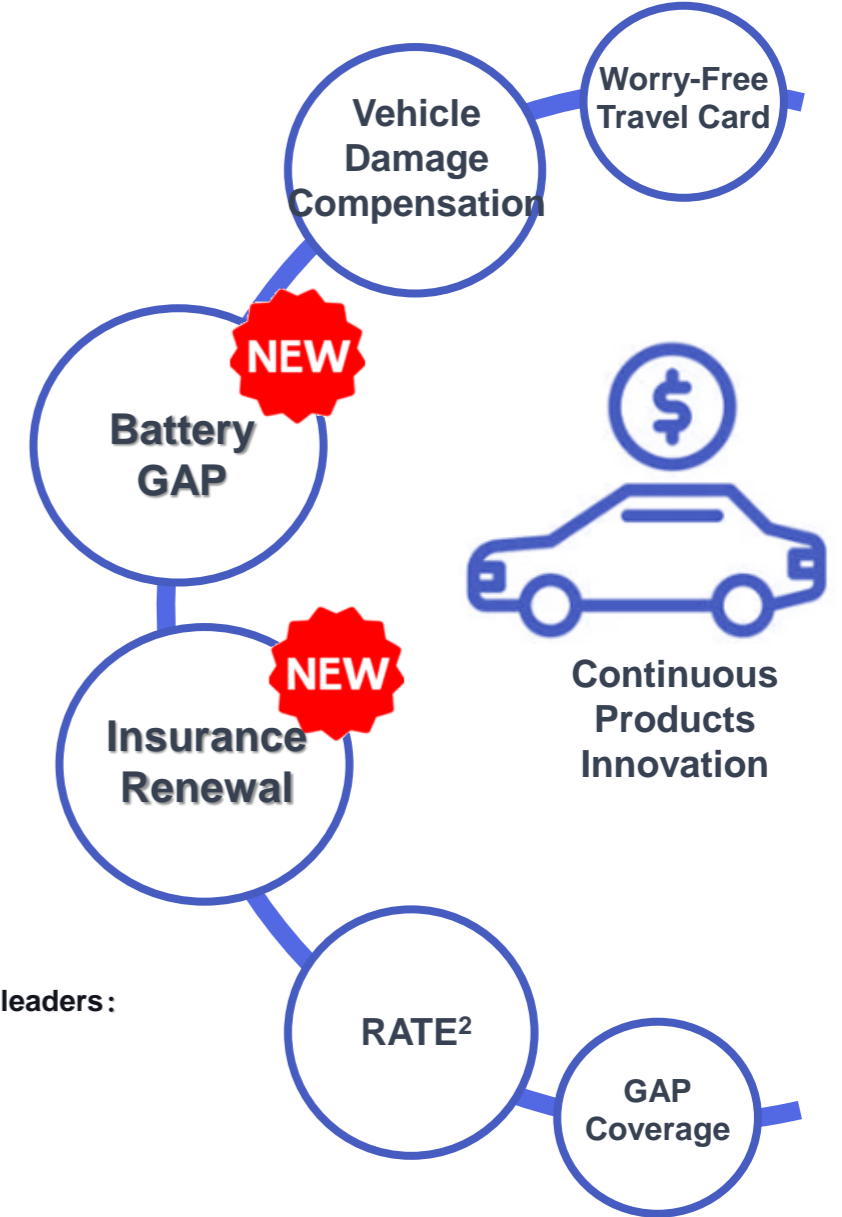
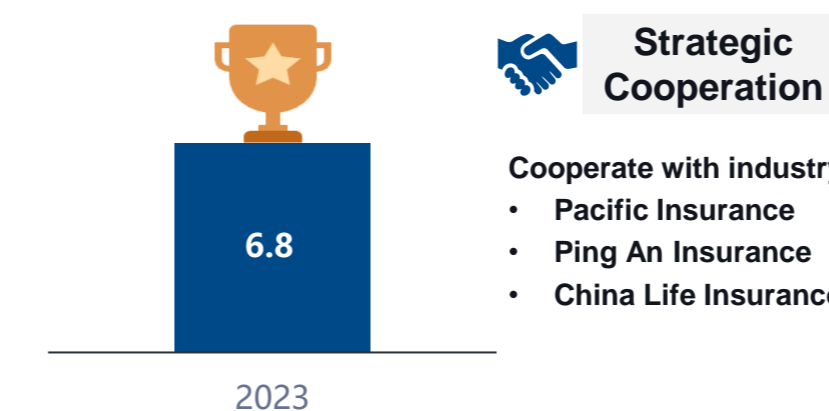
Transactions of 'Rights and Interests Package' ¹

Thousand



Transactions of Battery GAP Insurance

Thousand



Source: Company Report

Notes: 1. 'Rights and Interests Package' mainly includes a range of aftermarket products such as gap coverage, RATE, vehicle damage compensation, battery gap, worry-free travel card, and so on

2. Reimbursement of Alternative Transportation Expense



Embracing Industry Growth with Social Responsibility

汽车金融合规指引 2023

With China Corporate Legal Research Institute, jointly issued the '**Automotive Finance Compliance Guidelines (2023)**' to promote industry standardization.

Providing **inclusive and convenient** automotive financial services for the **lower-tier market**.

Actively promoting **anti-fraud knowledge to users** and building a firewall to **safeguard financial stability**.

Implementing **support programs** to benefit farmers on Changxing Island, with a focus **on driving rural revitalization**.

ESG
YIXIN ESG

Supporting the **establishment of an electronic reading room** in Jiugang Village to foster a **spirit of joint efforts and shared benefits**.

Supporting **summer study tours** for school children from Shanxi Province, with a focus on **social education**.

2023 Awards (Examples)

- ✓ China Automobile Dealers Association “**Top 10 Financing Leasing Companies in China Automobile Finance Service Consumer Satisfaction Ranking**”
- ✓ 21st Century Business “**Annual Automobile Finance Transaction Platform**”
- ✓ Zhitong Financial “**Most Valuable Social Service Company**”
- ✓ Guru Club “**Annual Brand Value Award**”
- ✓ Jiemian News “**Top Brand in the Automotive Finance Industry**”
- ✓ The Economic Observer “**Annual Outstanding Capital Value Service Institution**”
- ✓ China Daily “**Annual Best Automotive Finance Trading Platform**”

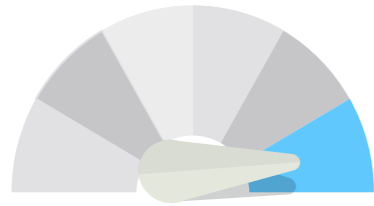
Source: Company Report

Financial Performance

03



Financial Highlights



72.94 Billion

AUM¹



+23%

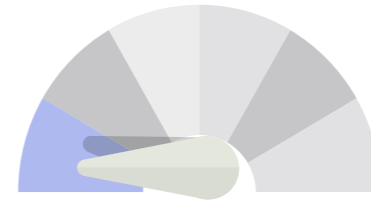


6.69 Billion

Revenue



+29%

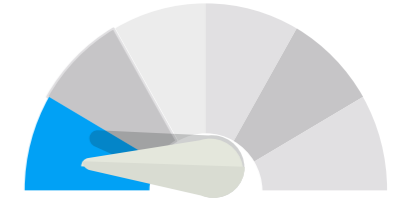


28%

Expense Ratio²



↓ 7%



910 Million

Adjusted Net Profit



+32%

Notes: 1.AUM involves financing transaction under both self-operated business and transaction platform business

2.Expense ratio=(S&M expense+ G&A expense+ R&D expense)/ revenue

Source: Company Report



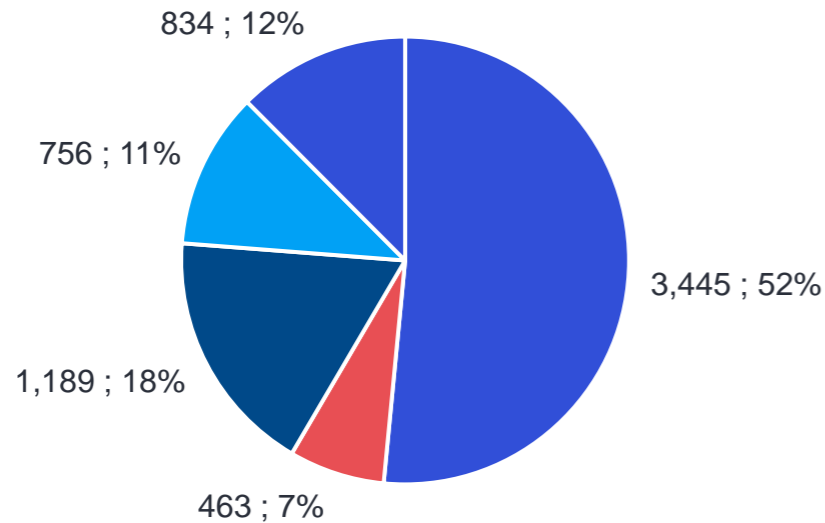
Diversified Business Structure

Revenue Breakdown

Million Yuan

Total Revenue in 2023:
6,686

- Loan facilitation services revenue
- FinTech revenue
- Other platform services revenue
- New self-operated financing transactions revenue
- Other self-operated services revenue

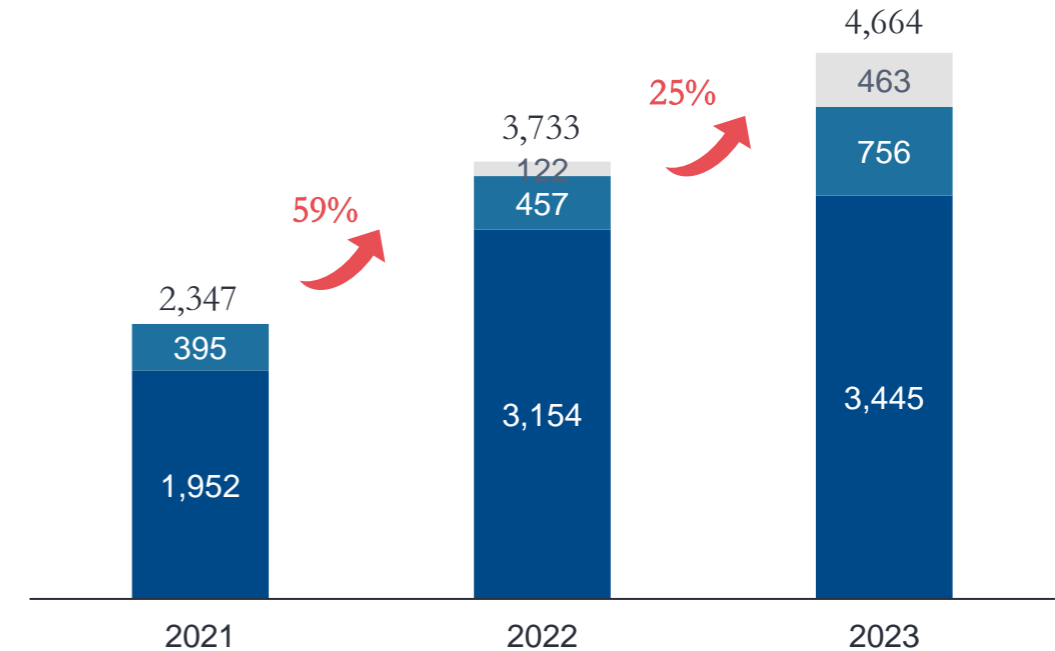


New Core Services Revenue

Million Yuan

Percentage of Revenue in 2021	Percentage of Revenue in 2022	Percentage of Revenue in 2023
67%	72%	70%

- FinTech revenue
- New self-operated financing transactions revenue
- Loan facilitation services revenue

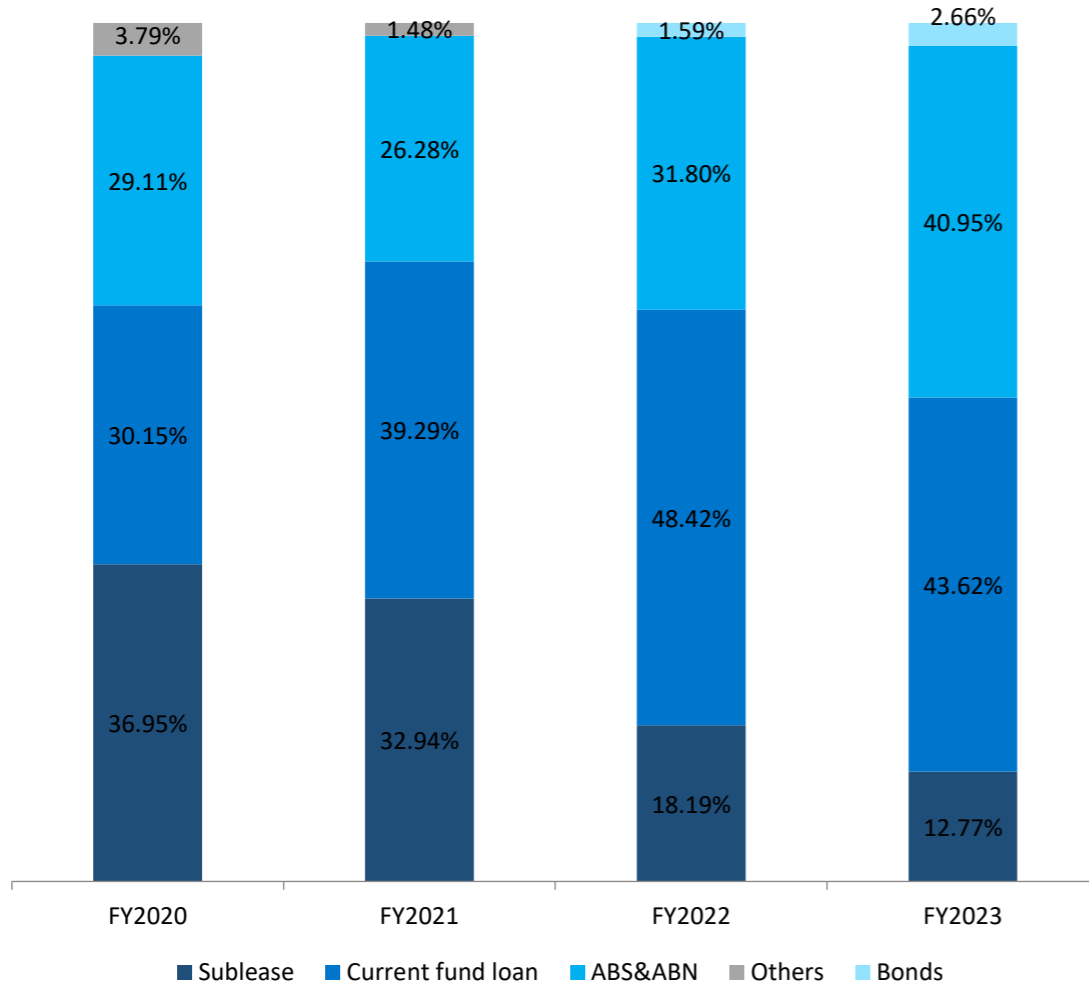


Notes: New core services revenue = new self-operated financing transactions revenue+ loan facilitation services revenue+ fintech revenue
 Other self-operated services revenue includes self-operated existing transactions revenue, operating rental services revenue and other income
 Other platform businesses include guarantee services, value-added services



Multiple Financing Channels

Structure of Financing Sources



Source: Company Report



Leveraging Varied Channels for Financing Cooperation

- As of December 2023, we have established collaborations with **over 100 financial institutions and more than 40 investors** in bonds and asset securitization products.



Standardized Products Continue to be Well-Received

- 49 ABS/ABN** have been issued, with financing amount **exceeding 50 billion**.
- In September 2023, we issued **ABN** with a reduced coupon rate as low as **3.1%** in the senior tranche.
- In September 2023, Our **SCP** subscription multiple reached a new high in Yixin's credit bond issuances, featuring interest rates as low as **4.8%**.



Constant Expansion of New Tools and New Models

- In August 2023, Yixin collaborated with Tai Fung Bank of Macau for **overseas financing**.
- In December 2023, Yixin, in collaboration with Sixiangjia Leasing, successfully launched '**Joint ABN**'.



Actively Contributing to 'Carbon Neutrality'

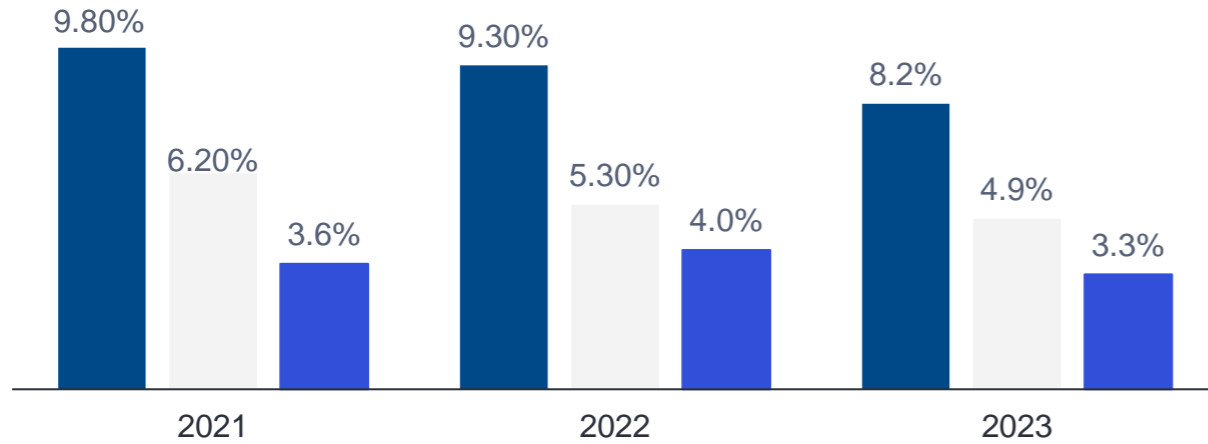
- In March 2023, **Yixin's first Green ABS** was successfully launched.



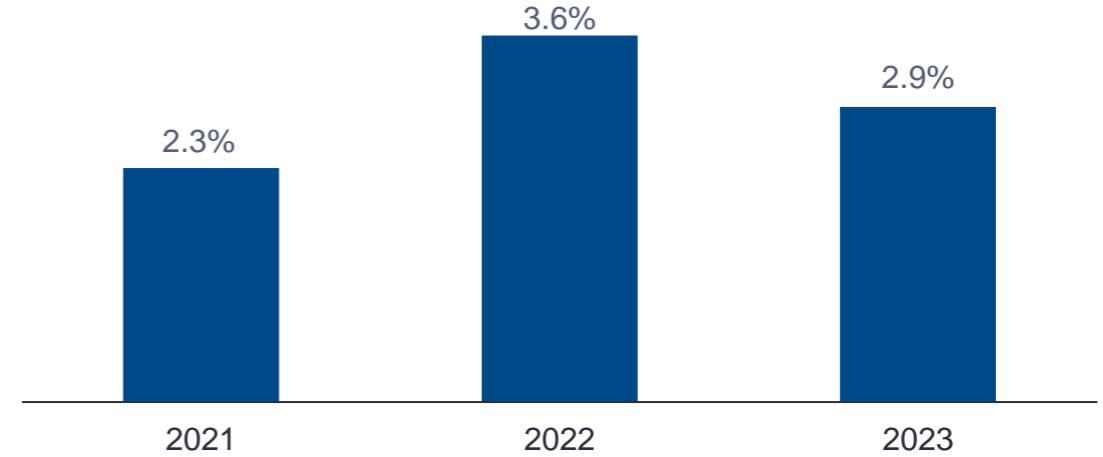
Optimized Business Model & Arising Gross Profit

Net Interest Spread¹

■ Average yield of net finance receivables ■ Average funding cost ■ Net interest spread

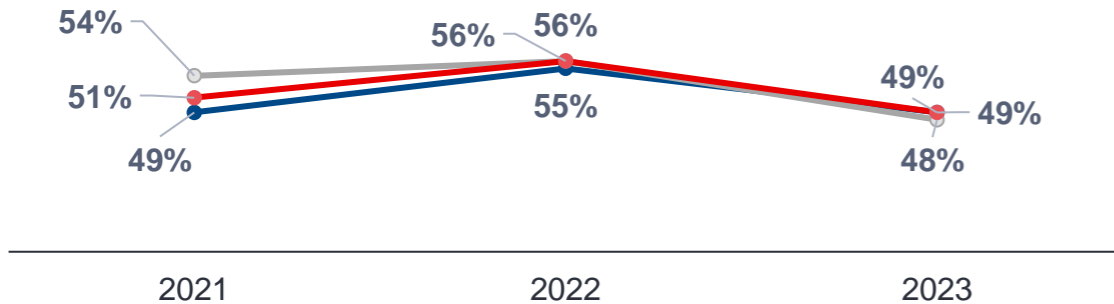


Net Service Rate²



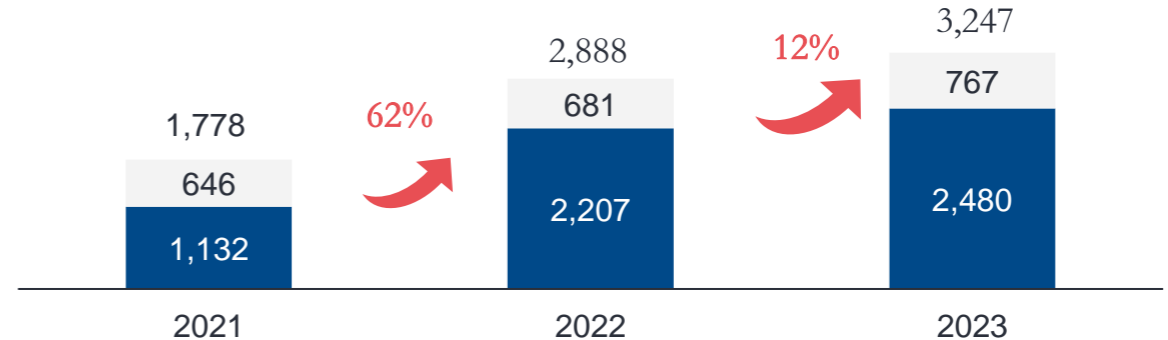
Gross Profit Margin

● Transaction platform business
● Self-operated financing business
● Total



Gross Profit

Million Yuan
■ Transaction platform business
■ Self-operated financing business



Notes: 1. Net interest spread = average yield of net finance receivables - average funding cost

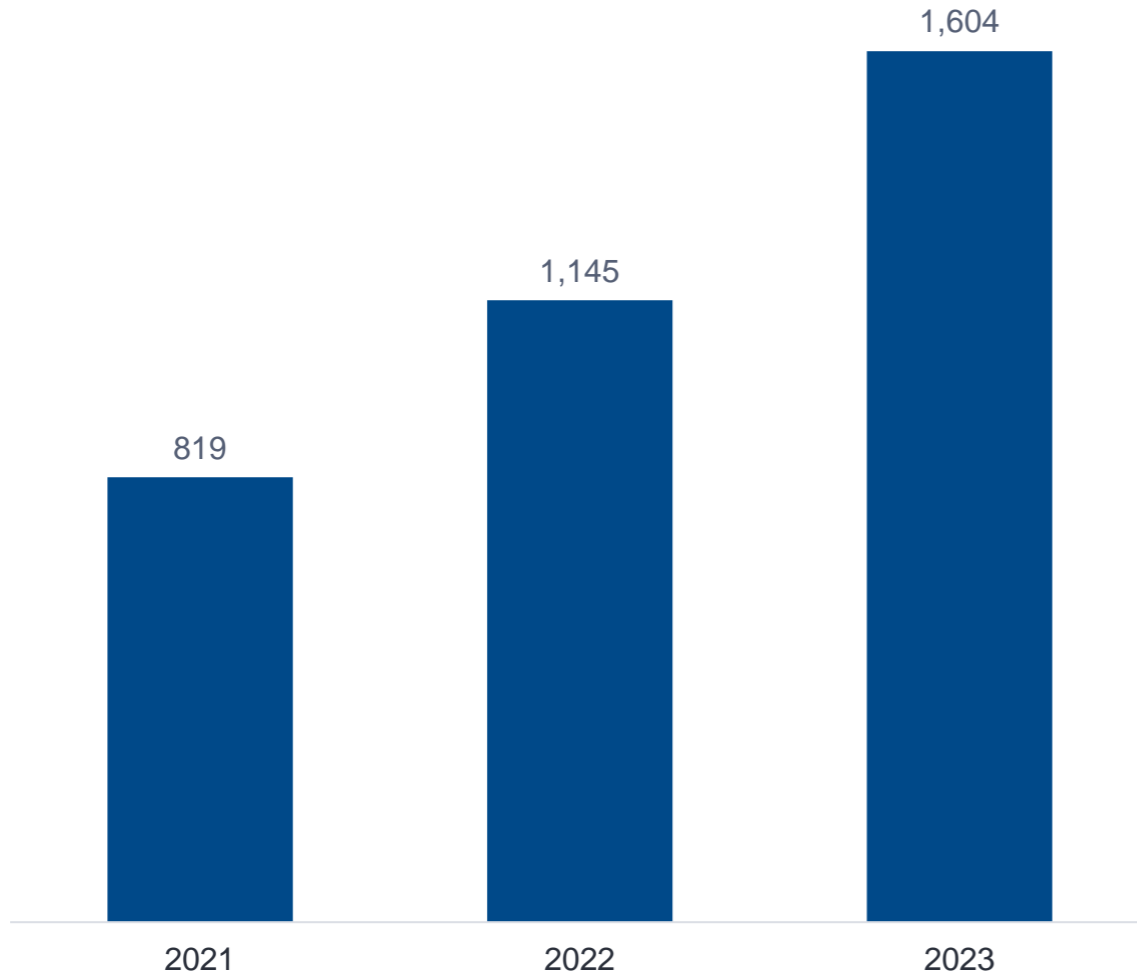
2. Net service rate = (loan facilitation services revenue + SaaS services revenue - commissions) / financing amount of transaction platform business



Outstanding Operation Efficiency

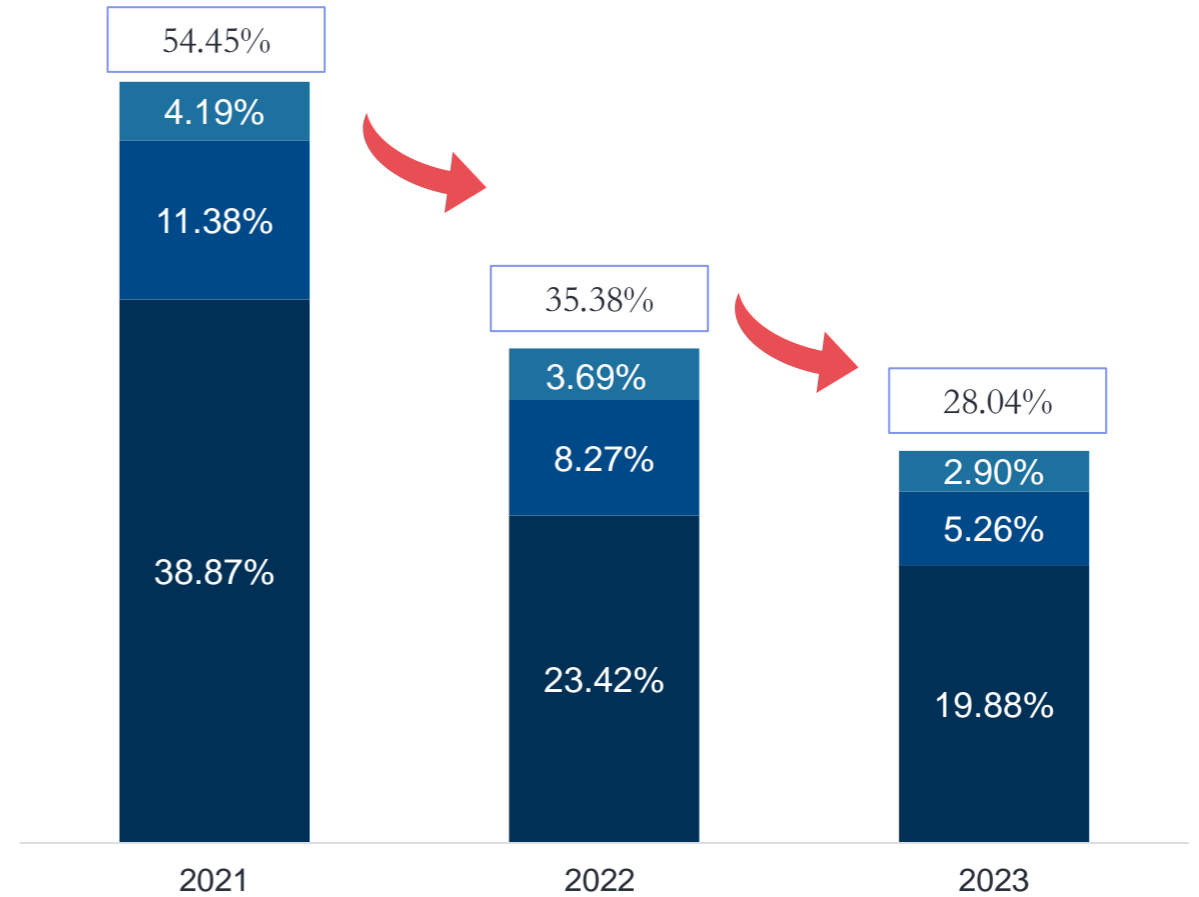
Revenue Per Capita ¹

Thousand Yuan



Expense Ratio ²

■ S&M expense ■ G&A expense ■ R&D expense



Notes: 1: Revenue Per capita = revenue/ average number of employees

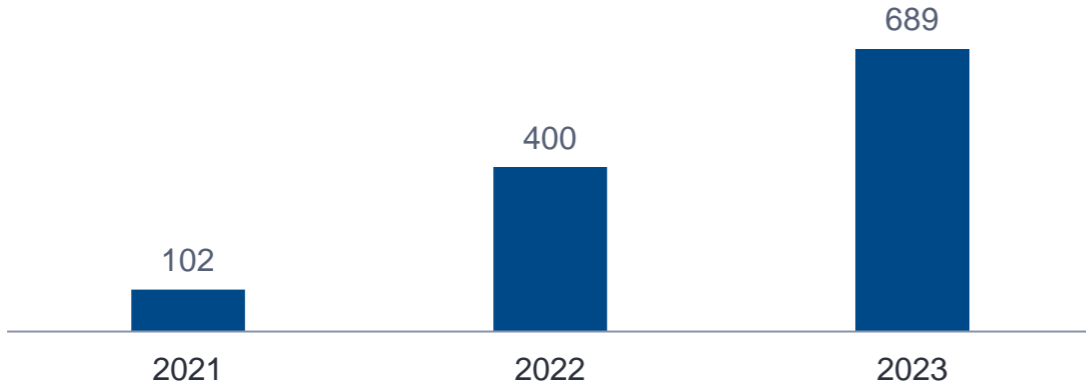
2: Expense ratio = specific operating expenses/ revenue



Continuous Improvements in Profitability

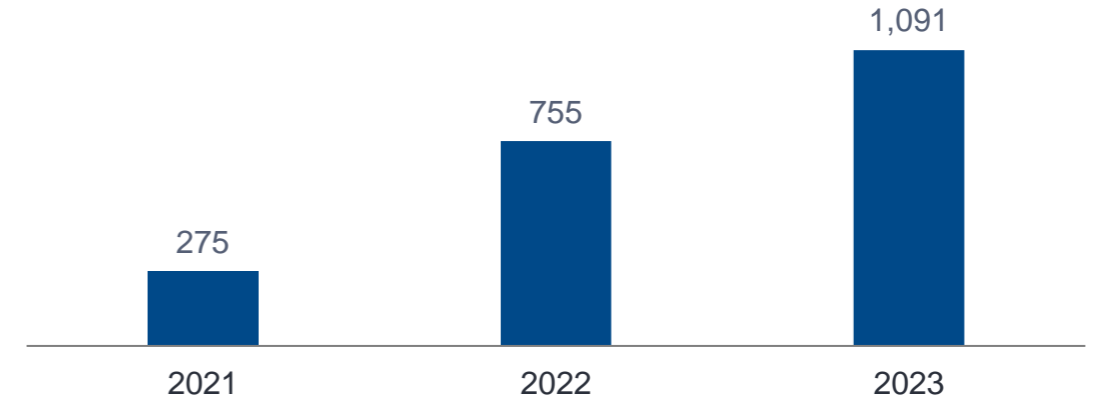
Operating Profit

Million Yuan



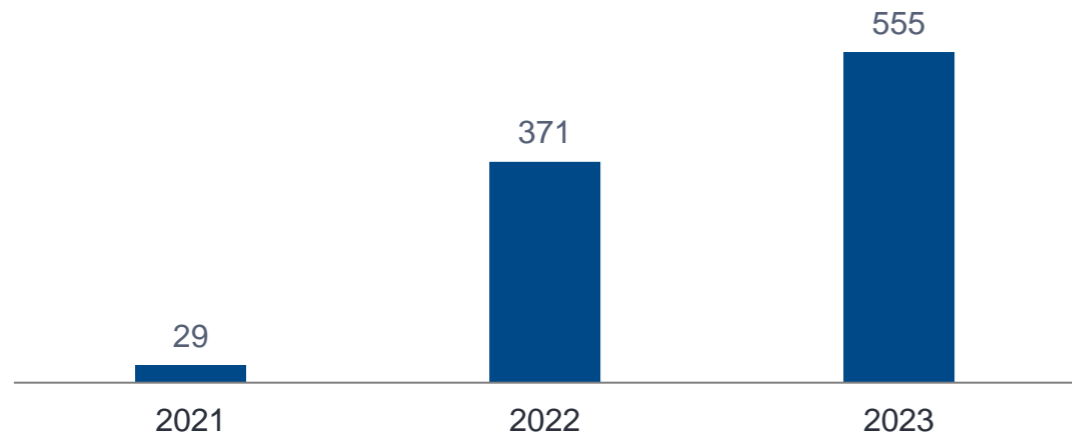
Adjusted Operating Profit

Million Yuan



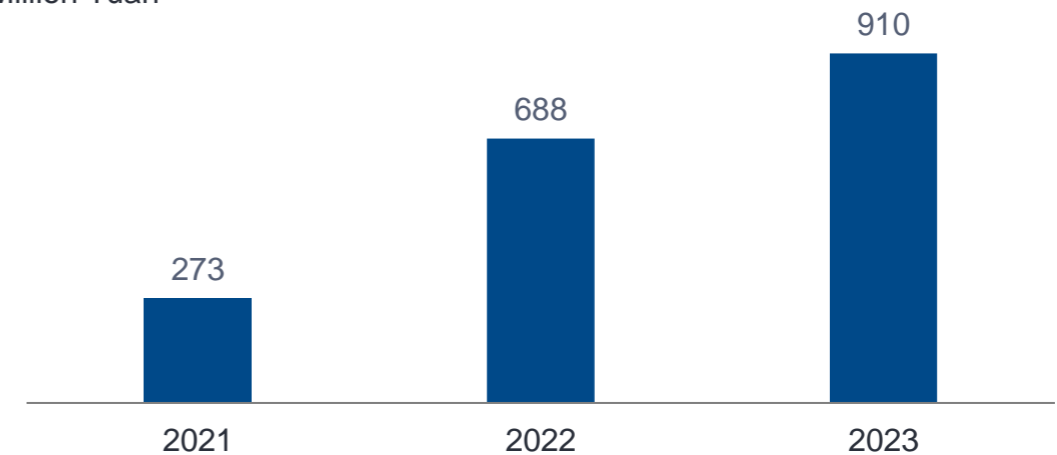
Net Profit

Million Yuan



Adjusted Net Profit

Million Yuan



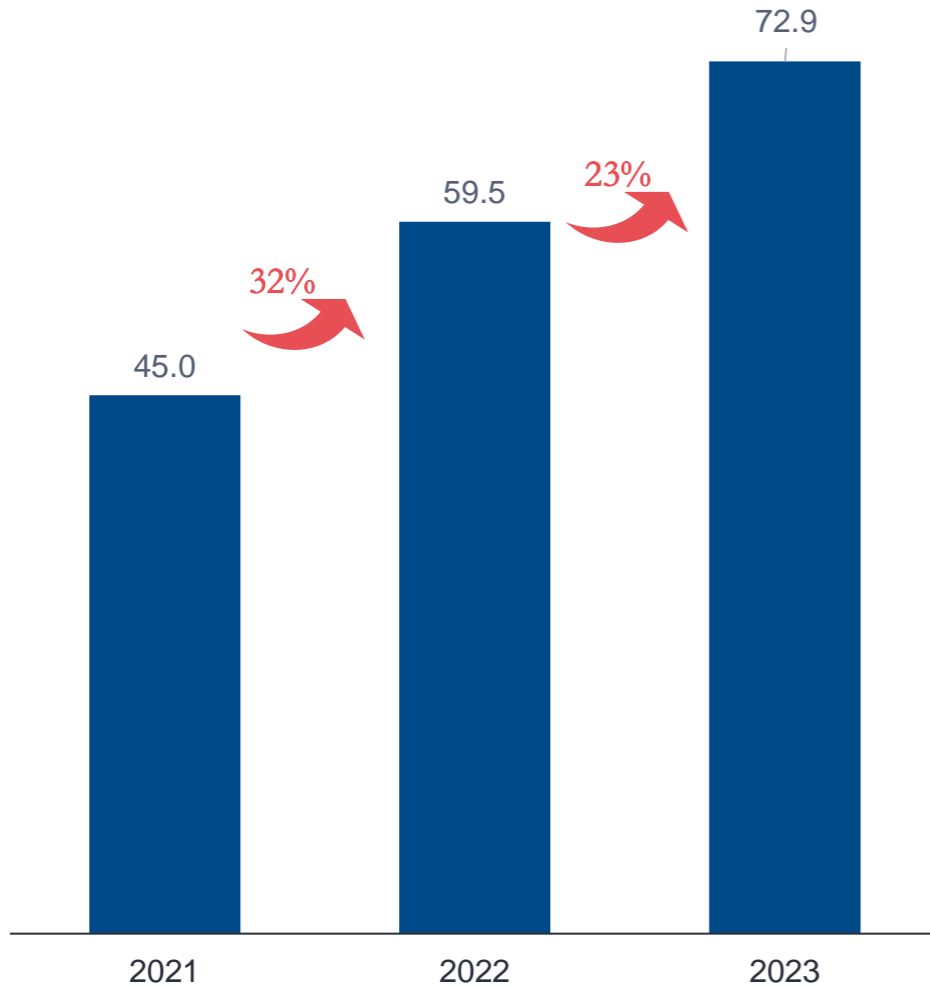
Note: Adjusted net profit/ adjusted operating profit = net profit/ operating profit + fair value changes arising from investee companies+ amortization of intangible assets resulting from asset and business acquisitions + share-based compensation expenses



Comprehensive Asset Management Capability

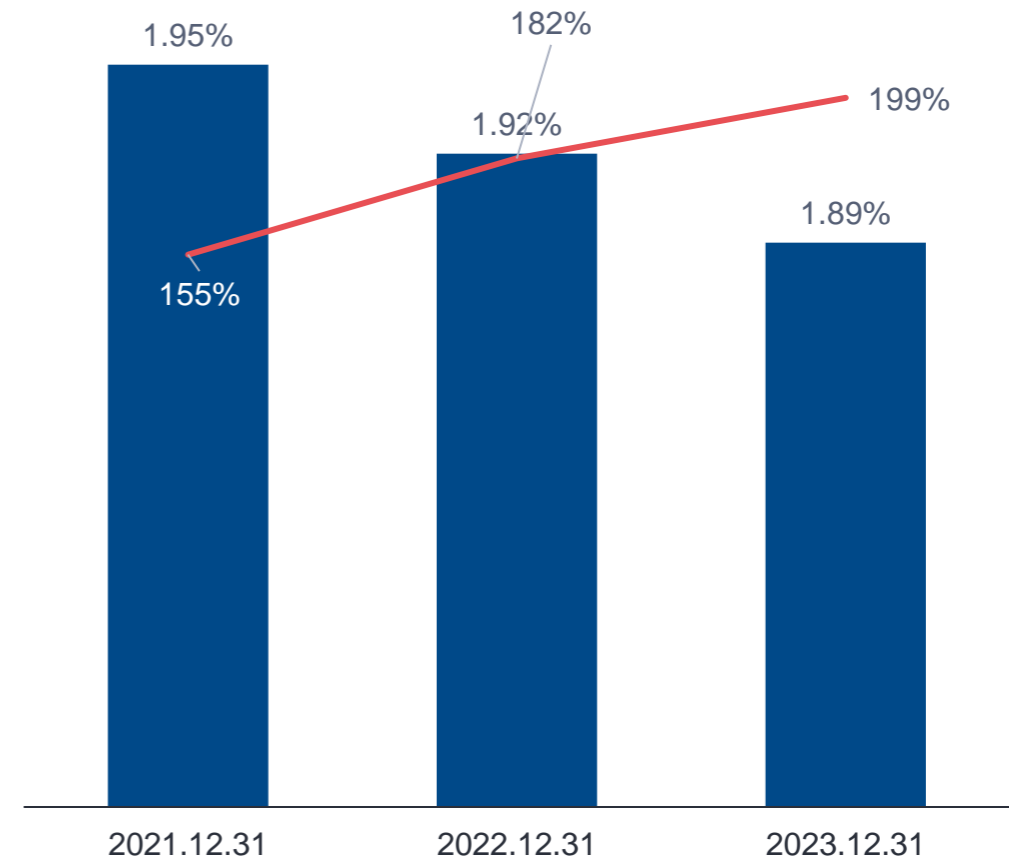
Asset under Management¹

Billion Yuan



90+ DPD Ratio² & Provision Coverage Rate³

■ 90+Days past due ratio — Provision coverage rate



Notes: 1. Asset under management includes self-operated business and transaction platform business, ending balance of reporting period

2. 90+ Days past due ratio includes self-operated financing business + transaction platform business

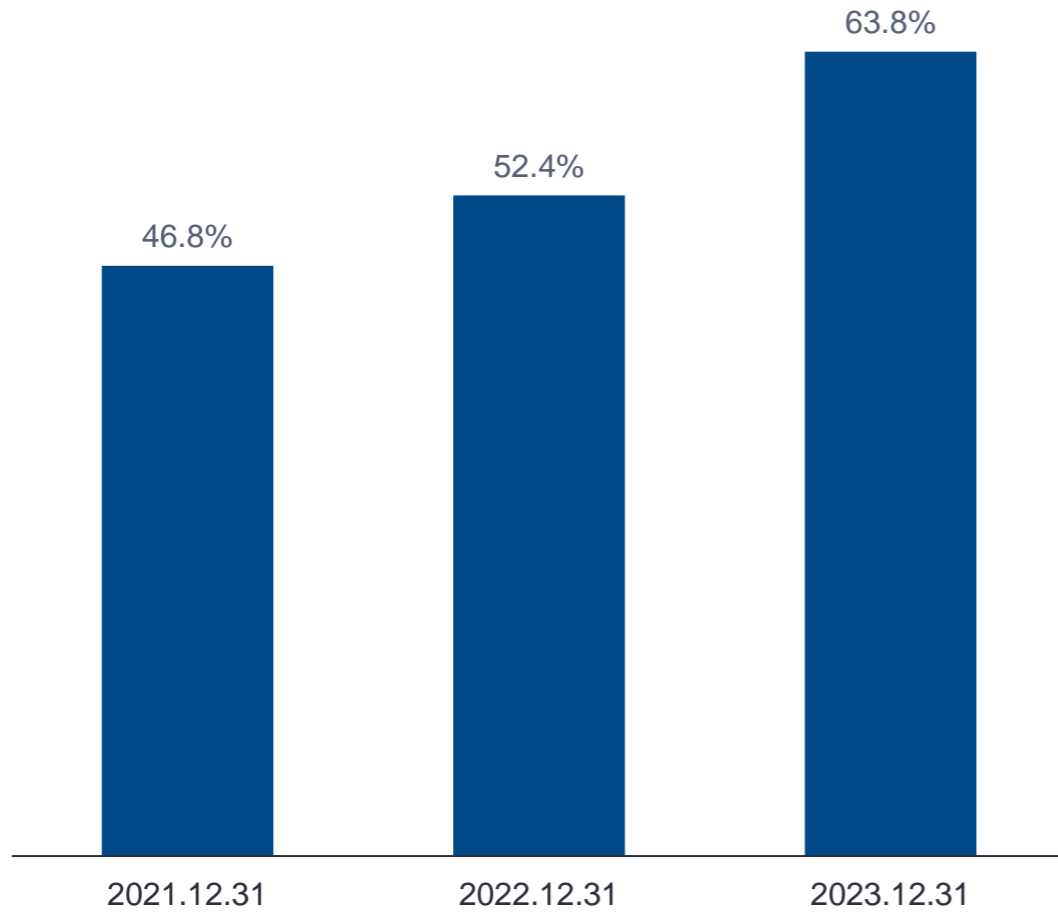
3. Provision coverage rate = (provision for self-operated assets + asset risk guarantee liabilities of platform business+ provision for repurchased asset) / non-performing asset



Modest Financial Leverage & Resilient Cash Liquidity

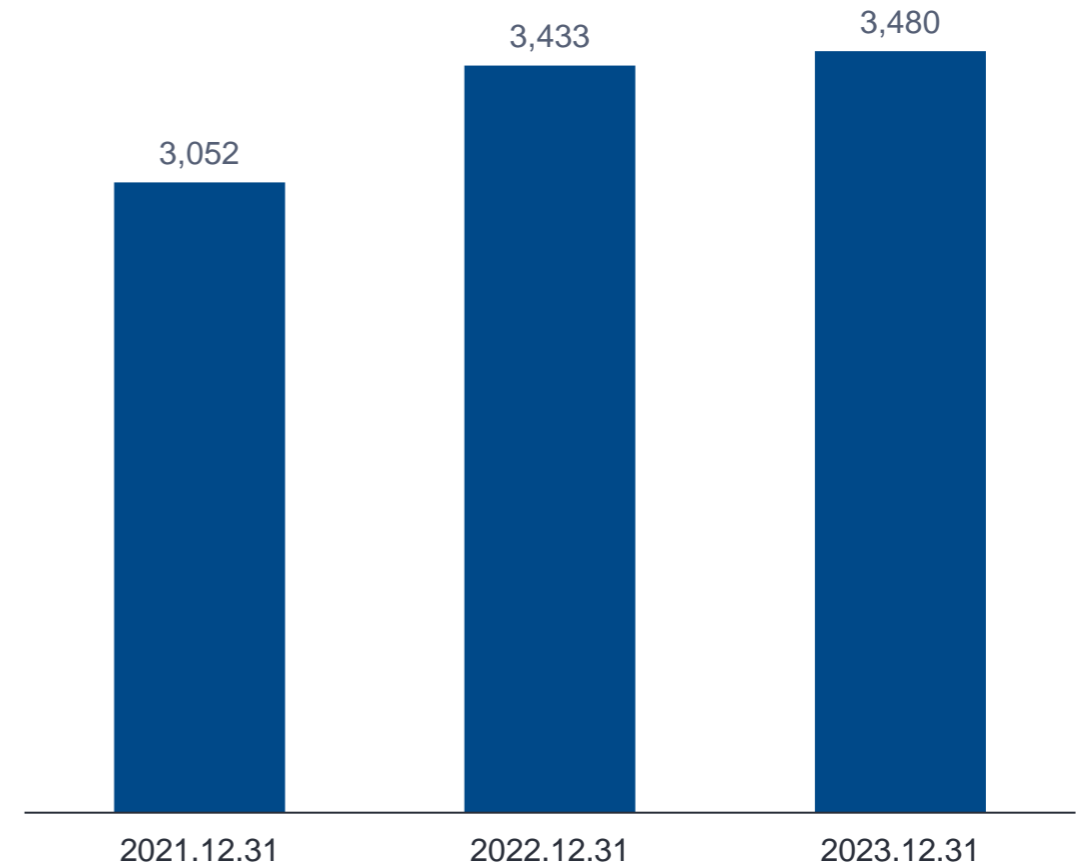
Asset-liability Ratio ¹

%



Cash and Cash Equivalents

Million Yuan



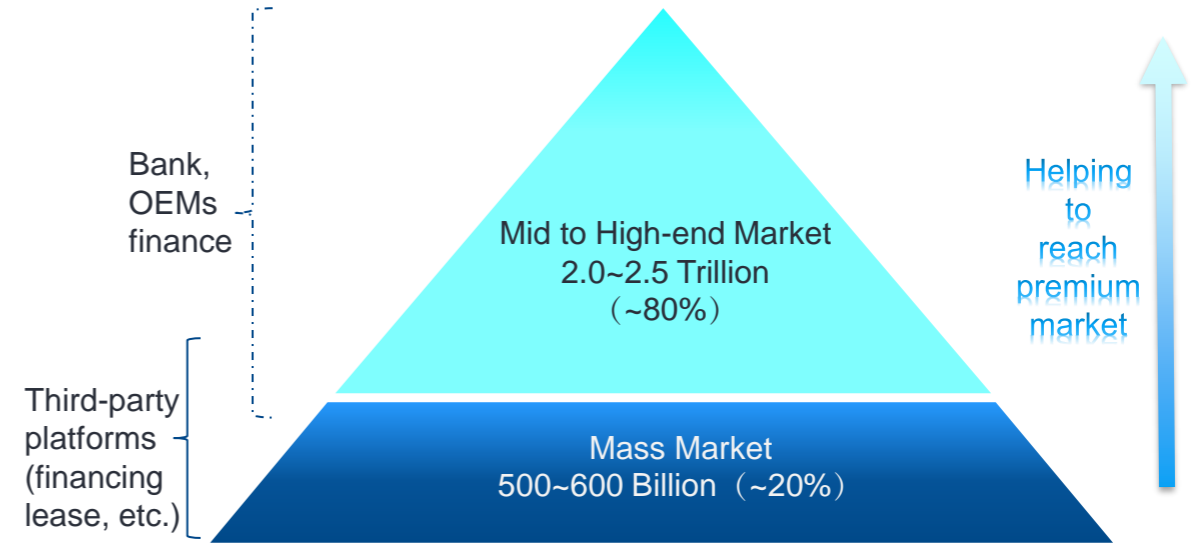
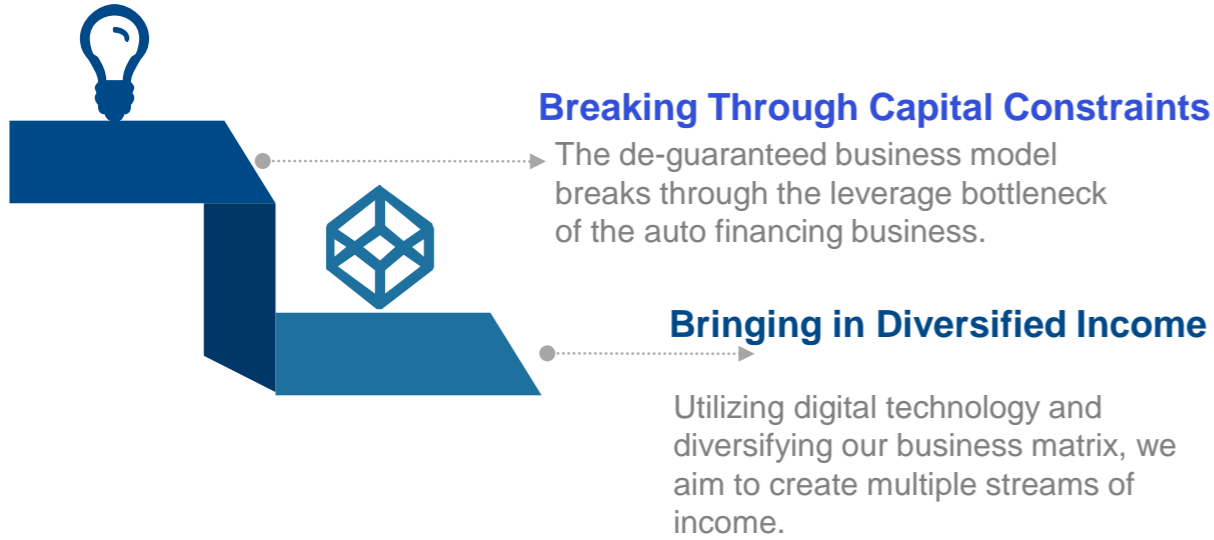
Note: 1. Asset-liability ratio = total liabilities/ total assets
Source: Company Report

Future Strategy



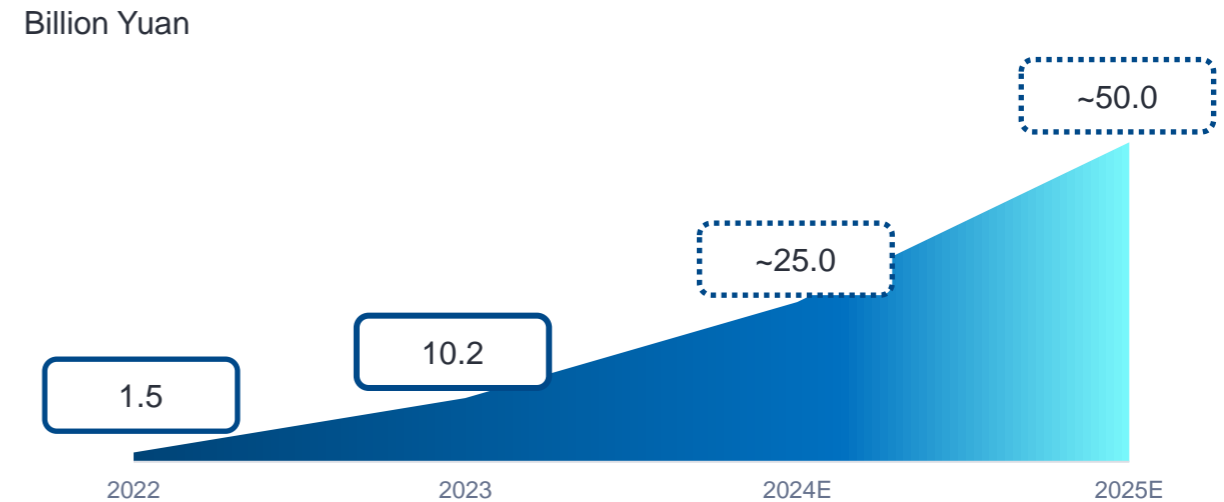
04

Future Strategy - FinTech Business



Next 2 to 3 Years	Scenario	Product	Technology
Fintech Platform 2.0	Integrated Finance	Full-Stack Multi-Layer Software Products	Widely Applying AI and other Cutting-Edge Technologies
Fintech Platform 1.0	Auto Finance	Four Core Product Modules	Digitization of Processes and Management

Financing Amount Forecast for Fintech Business



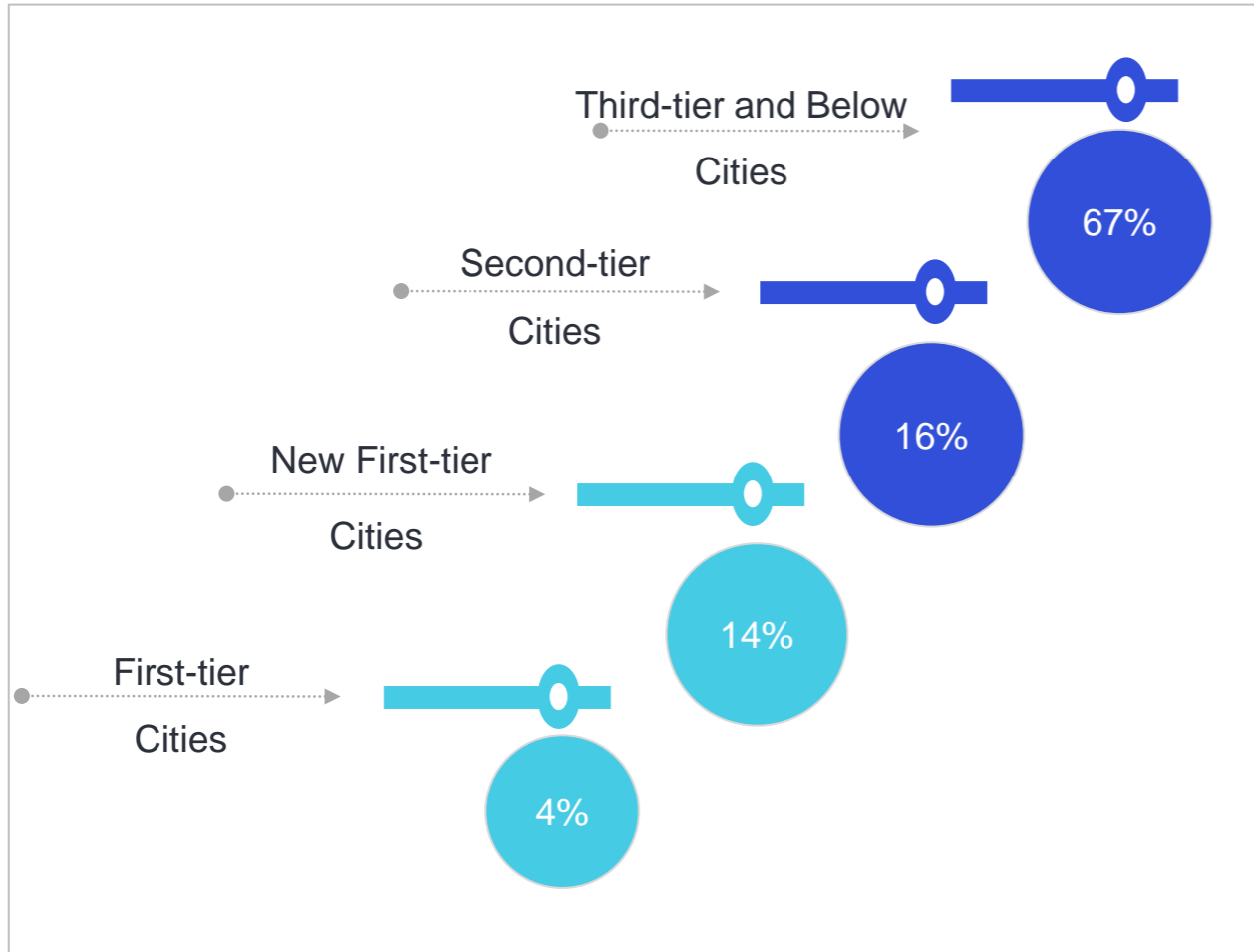
Source: Company Report



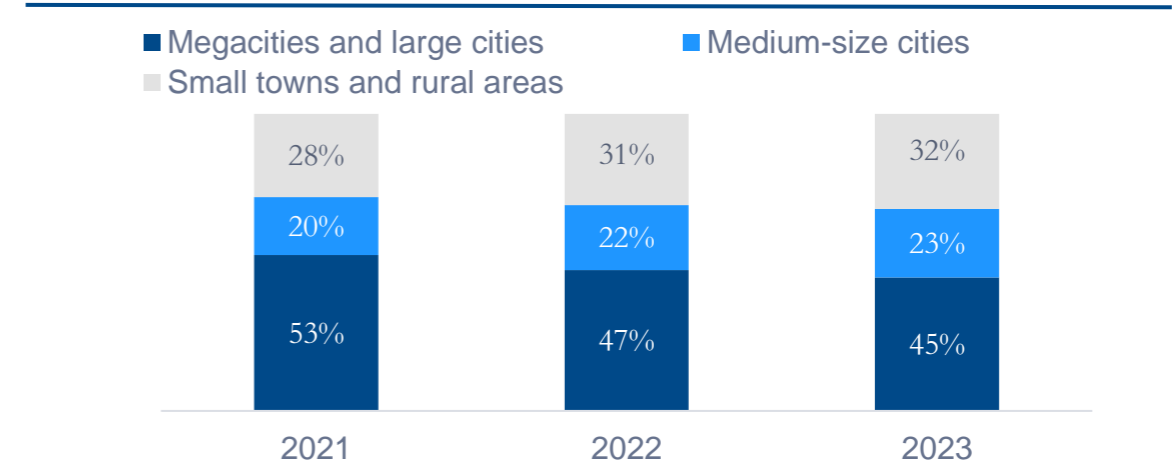
Future Strategy - New Energy Business

NEV industry of China is increasingly targeting lower-tier markets. The Group has an extensive channel network that facilitates a closed-loop service ecosystem across offline scenarios.

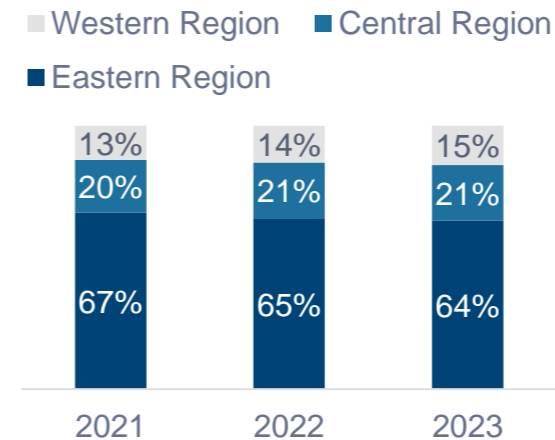
Distribution of Yixin's Channels



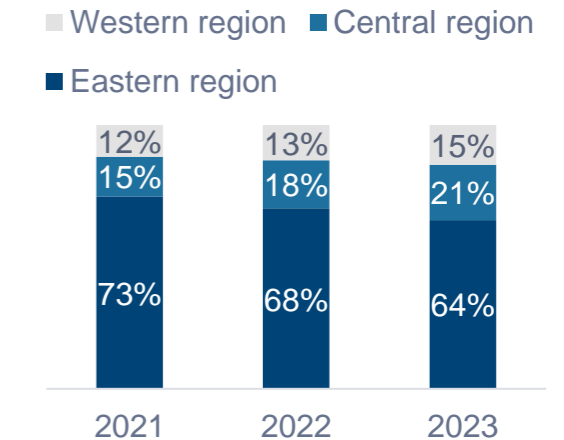
Distribution of New Energy Passenger Vehicle Sales in China



Regional Distribution of Public Charging Piles in China



Regional Distribution of Battery Swapping Stations in China

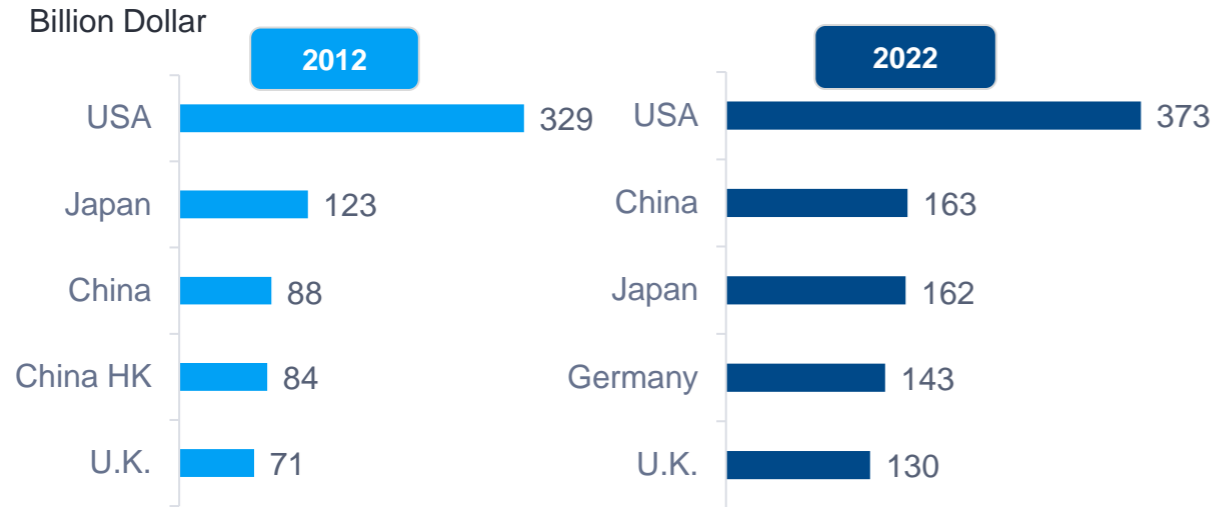


Source: CADA, EVCIPA and other

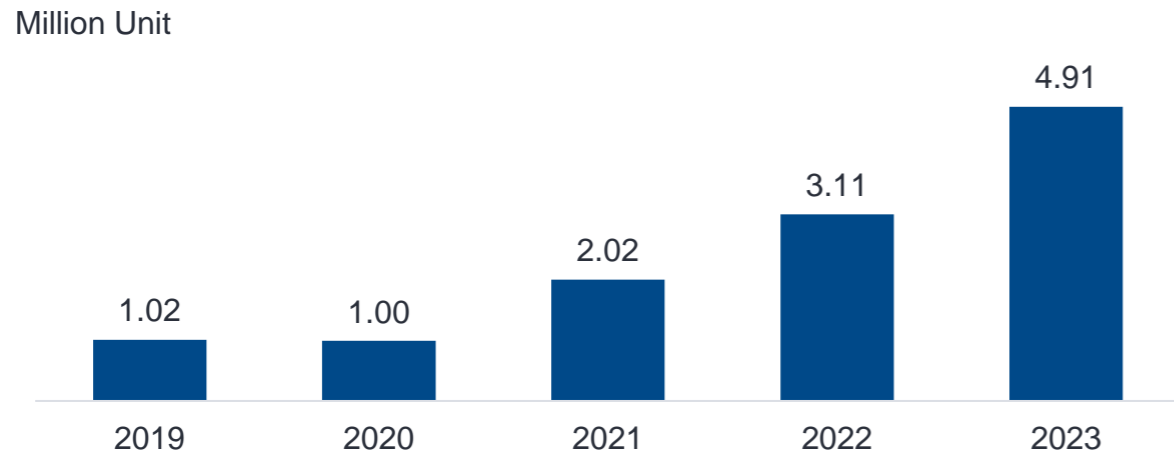


Future Strategy - Overseas Market

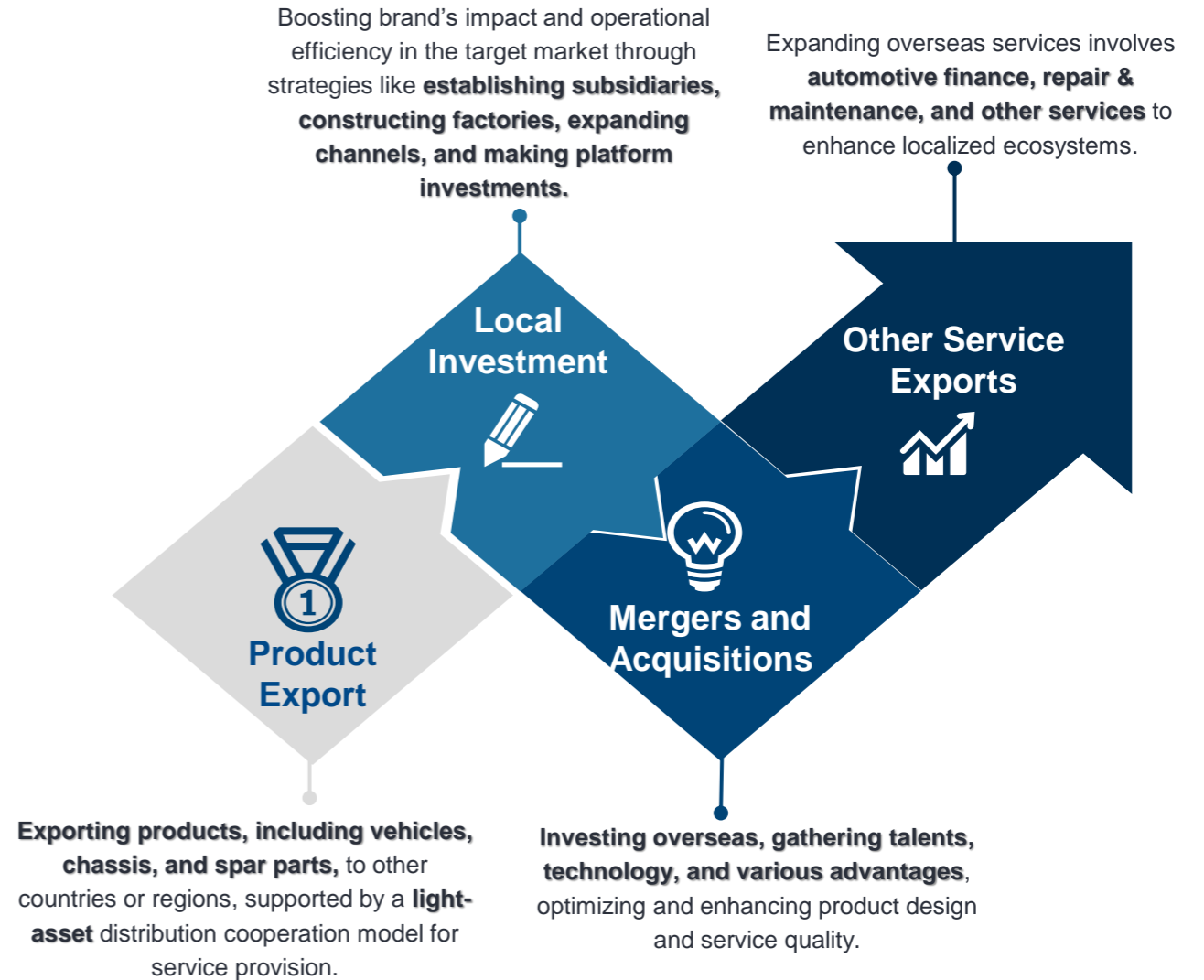
Top 5 Countries in Foreign Direct Investment (FDI) Outflows



Chinese Automobile Export



Strategies of International Expansion in Automotive Industry



Source: Ministry of Commerce, CADA, iResearch



Thank you





Overview of Financial Statements

RMB ('000 Yuan)	2023	2022	Year on year change
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%
Operating profit	689,258	400,024	72%
Profit for the year	554,958	370,814	50%
Adjusted operating profit	1,090,891	755,102	44%
Adjusted net profit	910,050	688,338	32%

RMB ('000 Yuan)	2023.12.31	2022.12.31	Year on year change
Total asset	43,575,102	32,164,392	35%
Total equity	15,765,170	15,326,213	3%

Source: Company Report