易鑫集团有限公司
Yixin Group Limited

(Incorporated in the Cayman Islands with limited liability and carrying on business in Hong Kong as "Yixin Automotive Technology Group Limited")

Stock Code: 2858

ANNUAL REPORT 2024

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易鑫

YIXIN

www.yixincars.com

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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Andy Xuan Zhang *(Chairman and Chief Executive Officer)*
Mr. Rodney Ling Kay Tsang *(Vice Chairman) (appointed on February 27, 2025)*
Mr. Dong Jiang *(Joint President)*

Non-executive Directors

Mr. Qing Hua Xie
Ms. Amanda Chi Yan Chau
Mr. Qin Miao *(resigned on January 13, 2025)*

Independent Non-executive Directors

Mr. Tin Fan Yuen
Mr. Chester Tun Ho Kwok
Ms. Lily Li Dong
Mr. Henry Chi Hung Yim *(appointed on February 27, 2025)*

AUDIT COMMITTEE

Mr. Chester Tun Ho Kwok *(Chairman)*
Mr. Tin Fan Yuen
Ms. Lily Li Dong
Mr. Henry Chi Hung Yim *(appointed on February 27, 2025)*

REMUNERATION COMMITTEE

Mr. Tin Fan Yuen *(Chairman)*
Mr. Andy Xuan Zhang
Ms. Lily Li Dong

NOMINATION COMMITTEE

Mr. Andy Xuan Zhang *(Chairman)*
Mr. Chester Tun Ho Kwok
Ms. Lily Li Dong

ENVIRONMENTAL, SOCIAL AND GOVERNANCE COMMITTEE

Mr. Andy Xuan Zhang *(Chairman)*
Mr. Dong Jiang
Mr. Xiaoguang Yang

EXECUTIVE COMMITTEE

Mr. Andy Xuan Zhang *(Chairman)*
Mr. Dong Jiang
Mr. Xiaoguang Yang

COMPANY SECRETARY

Mr. Man Wah Cheng

AUTHORISED REPRESENTATIVES

Mr. Andy Xuan Zhang
Mr. Man Wah Cheng

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants and
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central, Hong Kong

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Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong

PRINCIPAL BANKER

Bank of China
Bank of Communications
Industrial and Commercial Bank of China
Shanghai Pudong Development Bank
Postal Savings Bank of China

COMPANY WEBSITE

www.yixincars.com

STOCK CODE

2858

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Yixin Group Limited (易鑫集团有限公司), I am delighted to present the annual report of the Group for the Reporting Period.

In 2024, China's economy demonstrated promising signs of recovery and maintained overall stability. According to data from China's National Bureau of Statistics, China's Gross Domestic Product (GDP) grew by 5% year-on-year in 2024. However, the rising uncertainty and complexity of the global environment have exerted pressure on the domestic economy. Meanwhile, challenges such as the prolonged downturn in the real estate sector and sluggish demand recovery continue to impact economic growth.

The automotive industry in China, a pivotal sector that supports and propels rapid economic expansion, experienced fluctuations throughout the first half of 2024, primarily due to weak domestic demand. Nevertheless, driven by large-scale equipment upgrades and consumer goods trade-in programs, the industry began to rebound in the second half of the year. According to data from the China Association of Automobile Manufacturers (CAAM) and the China Automobile Dealers Association (CADA), passenger car sales in China (including new and used vehicles) increased by 6% year-on-year in 2024.

At the same time, the industry exhibited structural growth potential, particularly amidst ongoing deepening reforms in new energy vehicles (NEVs) and automobile exports. According to data from the China Passenger Car Association (CPCA), retail sales of NEV passenger cars in 2024 increased by 41% year-on-year, and the penetration rate of NEVs in domestic new car retail sales exceeded 50% for several months. In addition, automobile exports experienced rapid growth. According to data from the CAAM, China's auto exports reached 5.9 million units in 2024, marking a year-on-year increase of 19%. Moreover, the automotive finance industry played a crucial role in supporting industrial development. We believe that, driven by favorable policies and recovering market demand, automotive financial services will continue to expand. These services will cater to diverse consumer car purchasing needs while ensuring the stable operation of the automotive supply chain, providing robust financial support for the industry's transformation and upgrade.

Despite the complex macroeconomic environment in China and intensifying industry competition, Yixin Group achieved remarkable results in 2024, leveraging its strategic vision and strong operational capabilities. The Group capitalized on its competitive strengths in automotive finance, achieving broad-based business growth and a historic breakthrough in financial performance. In 2024, the Group's revenue reached RMB9.9 billion, representing a year-on-year growth of 48%, while adjusted net profit of the Group exceeded RMB1 billion for the first time, growing by 19% year-on-year. This milestone signifies the beginning of a new growth phase for the Group. This achievement not only highlights the Group's resilience and execution strength in a challenging market environment but also reflects its ability to seize opportunities and foster innovation. Moving forward, the Group will enhance its strategy in the new energy and the FinTech sectors while strengthening partnerships with industry players to solidify its market position. We firmly believe that by pushing boundaries and exceeding our goals, Yixin Group will continue to create greater value for Shareholders, customers, and the industry. We are dedicated to advancing the high-quality development of the automotive finance sector.

In 2024, the Group processed 726 thousand financing transactions (including new and used cars), marking a year-on-year increase of 7%. The total financing amount reached RMB69.1 billion, up 5% from the previous year. In the new energy passenger vehicle segment, during 2024, NEV financing transaction volume (including new and used vehicles) totaled 175 thousand units, up 51% year-on-year.

The Group's asset management scale grew steadily, with automotive finance assets under management totaling RMB108.1 billion as of December 31, 2024. The Group's asset quality continued to improve and demonstrated strong resilience, with the 90+ days past due ratio declining to 1.86% as of December 31, 2024.

In the financing sector, the Group focused on reducing financing costs and achieved remarkable results. In November 2024, the Group issued Asset-Backed Notes (ABN) at an unprecedentedly low priority tranche coupon rate of 2.3%. Notably, the Group successfully issued its first bond outside of the PRC, which serves to accelerate the Group's international business expansion and enhance its global brand presence. This bond is notable for being the first yen-denominated bond issued by the Group and the first sustainability-linked bond of the Group tied to an overseas donation mechanism. These achievements underscore the Group's pioneering spirit in green finance and its strategic global expansion. Additionally, the Group has utilized Private Placement Notes (PPNs), Super and Short-term Commercial Papers (SCPs), and other credit debt instruments to optimize financing channels and ensure a diversified and stable financing structure. These initiatives have not only solidified the Group's financial foundation but also demonstrated its exceptional financial management skills in navigating a complex market environment.

In the value-added services segment, the Group recorded revenue of RMB249 million during the Reporting Period, representing a year-on-year growth of 11%. The innovative Battery GAP product garnered strong market recognition. In 2024, transaction volume for the Battery GAP product reached 57 thousand, representing 728% increase from the previous year. It was successfully introduced to the used car sector, helping more NEV owners address their concerns about battery residual value.

As a key strategic focus, the Group's FinTech business achieved strong growth in 2024. Fintech revenue soared to RMB1.8 billion, representing a year-on-year increase of 290%. Financing transactions facilitated by the Group's FinTech platform exceeded RMB20 billion, up 107% year-on-year, further enhancing market reach and service breadth. As of December 31, 2024, the Group had forged partnerships with nearly 60 institutions, including notable collaborations with premium brands such as Porsche. The Group also expanded services to regional banks including the Bank of Nanjing. In 2025, the Group will continue to prioritize the development of the FinTech sector, providing precise automotive financial analytics to a broader range of financial institutions. These initiatives are aimed at driving digital transformation and fostering high-quality digital finance development.

Yixin Group's self-developed Titan-AI Cloud Platform applied AI technology to fraud prevention, intelligence collection, and customer service, thereby enhancing operational efficiency and supporting sustainable growth. In 2024, the Group upgraded the core large AI model of Titan-AI and successfully registered "Xinzhi Lingxi (鑫智靈犀)" and "Zhixin Duowei (智鑫多維)" as strategic technology reserves. These initiatives not only bolstered the Group's operational efficiency and technological prowess in internal processes but also gradually extended its impact throughout the entire industry chain.

Guided by the philosophy of "Value Re-creation, Responsibility First", the Group has seamlessly integrated ESG factors into its core operations and management. Through concrete actions, we are advancing our sustainability initiatives, fostering sustainable and harmonious industrial and social development. In the realm of green finance, we have made significant strides. In November 2024, Yixin Group issued its first domestic ESG sustainability-linked syndicated loan, underscoring the Group's commitment to sustainability and social responsibility. Concurrently, the Group advanced inclusive financial services, reaching remote areas of China to provide tailored automotive financial services to grassroots communities, thereby addressing diverse transportation and logistics needs. Furthermore, Yixin Group is committed to advancing sustainability in automotive finance. In November 2024, the Group collaborated with banks, OEM financial institutions, and other stakeholders to issue the "2024 Automotive Finance Industry Sustainable Development Self-Regulation Convention." This initiative promotes self-regulation and collaboration, supporting high-quality development and the sector's green transformation.

Looking ahead to 2025, despite the uncertainties in the macroeconomic landscape, we firmly believe that as consumer demand rebounds, industrial upgrades progress, and new opportunities emerge in the automotive market, China's automotive finance industry will be poised for greater growth. At the same time, the accelerating Matthew Effect, where the strong becomes stronger, has further solidified Yixin Group's leadership in automotive finance. By leveraging our strengths in technology, operations, and innovation, our Group is attracting an increasing concentration of resources and opportunities, laying a strong foundation to enhance our market position and drive industry growth.

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. The Board recommends a final dividend of HK6.5 cents per Share, representing approximately 50.1% of our net profit per Share for the Reporting Period. In celebration of the Company's 10th anniversary in 2024, in addition to the final dividend, the Board has also proposed a special dividend of HK6.5 cents per Share, representing approximately 50.1% of our net profit per Share for the Reporting Period, in recognition of Shareholders' unwavering support since the Listing. The proposed final and special dividends are subject to Shareholders' approval at the Annual General Meeting. It is anticipated that the final and special dividends will be distributed on Thursday, June 26, 2025 to Shareholders whose names appear on the register of members of the Company on Tuesday, May 27, 2025.

Lastly, on behalf of the Group, I extend my heartfelt gratitude to our customers and partners. I also thank our dedicated employees and management team for their invaluable contributions. Finally, I am especially grateful to our Shareholders and stakeholders for their trust and support.

Andy Xuan Zhang
Chairman of the Board
Hong Kong
February 27, 2025

MANAGEMENT DISCUSSION AND ANALYSIS

MACROECONOMIC ENVIRONMENT

Amid a complex global economic environment, China's economy remained generally stable in 2024. According to the National Bureau of Statistics, the Gross Domestic Product (GDP) of China grew by 5.0% year-on-year, which is slightly below the previous year's GDP growth rate. Geopolitical conflicts, trade disputes, and other international uncertainties have weakened external demand, while insufficient domestic effective demand has become more pronounced. Deflationary pressures intensified, and market confidence remained subdued.

Consumer spending showed moderate growth, with total retail sales of consumer goods growing by 3.5% year-on-year, though its contribution to economic growth fell short of expectations. Durable goods, including automobiles and home furnishings, benefited significantly from supportive policies. On the investment side, fixed asset investment (excluding rural households) grew by 3.2%, primarily driven by robust manufacturing investment, particularly in high-tech industries. While infrastructure investment remained stable, real estate investment continued its downward trend. Trade performance improved, with the annual trade surplus approaching 1 trillion dollars, supported by a 1.1% growth in goods imports and 5.9% growth in goods exports. This shift has strengthened the contribution of net exports to GDP growth.

As a key pillar of China's economy, the automotive industry is undergoing accelerated transformation driven by shifts in market structure, product innovation, and evolving consumer demand. The adoption of new energy vehicles (NEVs) and autonomous driving technologies has fostered cross-industry collaboration in batteries, semiconductors, and artificial intelligence. These advancements reinforce the automotive sector's vital role in driving high-quality economic development in China.

INDUSTRY OVERVIEW

In 2024, the automotive industry faced multiple challenges at a critical stage of structural transformation. Intensifying competition among domestic brands and insufficient demand posed significant hurdles. However, advancements in intelligent and electric vehicle technologies have driven profound shifts in the market structure. China's automotive market continues to demonstrate strong innovation capacity and global competitiveness, laying the foundation for high-quality development through technological breakthroughs and policy support. According to the China Association of Automobile Manufacturers (CAAM) and the China Automobile Dealers Association (CADA), the total sales volume of new and used passenger vehicles in China increased by 6.0% year-on-year during the Reporting Period.

In 2024, China's automotive market exhibited new trends driven by policy support and market adjustments. The strategy of trading price for volume in the new car market has placed considerable pressure on various segments of the automotive industry chain, and the tactic of lowering prices to boost car sales is gradually losing effectiveness in stimulating sales. However, favorable policies like "Trade-in Programs", the concentrated launch of new models, and innovative marketing campaigns supported a recovery. According to the CAAM, the sales volume of new passenger vehicles in China reached 27.6 million units in 2024, representing a year-on-year increase of 5.8%. The used car market, as a stock market in automotive industry, has faced challenges from continued price reductions in the new cars. Nevertheless, with the release of replacement demand and ongoing advancement of policy incentives, it has maintained a steady and progressive growth trend. In 2024, the transaction volume of used passenger vehicles totaled 15.7 million units, reflecting year-on-year growth of 6.1%.

In the structural upgrade of the automotive market, NEVs have become a major growth driver for the industry, delivering robust performance throughout 2024. According to the China Passenger Car Association (CPCA), NEV retail sales reached 10.9 million units, a year-on-year growth of 40.7%. Domestic brands, leveraging high-quality products and price advantages, gained stronger consumer recognition, leading to a steady rise in market share. The ongoing improvements of charging infrastructure is also progressively meeting the demand of the rapidly developing NEV market, providing a solid foundation for further proliferation. According to CPCA, NEV penetration rates climbed steadily, exceeding 50% for several consecutive months.

The booming NEV market has not only become a crucial driving force in the domestic automotive sector but is also gaining prominence in international markets, serving as a key driver for the growth of Chinese automotive exports. According to the CAAM, China's auto exports in 2024 reached 5.9 million units, representing a year-on-year growth of 19.3%. In recent years, Chinese automakers have rapidly ascended in international markets through competitive pricing and localization strategies. This has not only successfully enhanced the global reputation of "Made in China" but also accelerated the export of technology and the internationalization of brands. This progress has laid a solid foundation for the transformation of China's automotive industry from a "manufacturing giant" to a "brand powerhouse," injecting new vitality and diversity into the global automotive industry landscape.

Automotive finance is pivotal to the transformation and upgrading of the industry. As competition intensifying, the sales and service segment are increasingly dependent on financial services to boost profitability. Consequently, for players in the auto finance sector, commissions have become a key competitive factor, making efficient channel management a crucial aspect of business decision-making. From an overall market perspective, the automotive finance system is evolving to be increasingly sophisticated. Stakeholders in the automotive finance sector are actively exploring new products and services to promote vehicle trade-ins and consumption upgrades. Looking ahead, as the penetration rate of automotive finance steadily increases, its role in supporting the development of the real economy will become even more pronounced.

POLICY STIMULUS

In 2024, central and local governments introduced a comprehensive series of multi-level, systematic support policies aimed at promoting the high-quality development of automotive industry and consumption upgrades. These policies cover areas such as trade-in programs, the promotion of NEVs, and automotive finance. The implementation of these policies provided strong support for driving the high-quality development of the automotive industry chain.

The trade-in policy emerged as a key driver of market activity in 2024. In April, seven ministries, including the Ministry of Commerce and the Ministry of Finance, jointly issued the《Implementation Details of Trade-In Subsidy for Cars》(《汽車以舊換新補貼實施細則》), officially launching the trade-in subsidy program. Local governments actively implemented these measures, offering regional subsidies to accelerate vehicle replacement and upgrades. In July, the National Development and Reform Commission (NDRC) and the Ministry of Finance introduced the《Measures to Strengthen Support for Large-Scale Equipment Upgrades and Trade-Ins for Consumer Goods》(《關於加力支持大規模設備更新和消費品以舊換新的若干措施》), further enhancing incentives for equipment renewal. In August, the Ministry of Commerce and six other departments had issued the《Notice on Further Enhancing the Trade-In of Old Vehicles for New Ones 》(《關於進一步做好汽車以舊換新工作的通知》), raising subsidy standards for scrappage and upgrades while increasing central government funding support.

The rapid development of NEVs has been closely tied to multi-dimensional, systematic support policies at the national level. In May 2024, the State Council issued the "2024-2025 Energy Conservation and Carbon Reduction Action Plan," (《2024 – 2025 年節能降碳行動方案》) calling for the gradual removal of local NEV purchase restrictions and the implementation of policies to facilitate NEV usage, further promoting their adoption and application. In July 2024, the Central Committee of the Communist Party of China and the State Council emphasized expanding green consumption in their "Opinions on Accelerating the Comprehensive Green Transformation of Economic and Social Development," (《關於加快經濟社會發展全面綠色轉型的意見》) introducing initiatives such as the 'new energy vehicles in rural areas' programs.

Infrastructure development for NEVs also received significant attention. In July 2024, the NDRC and other departments outlined nine special initiatives in the "Action Plan for Accelerating the Development of New Power Systems (2024-2027)," 《加快構建新型電力系統行動方案(2024 – 2027年)》 specifying the expansion of the NEVs charging infrastructure network. In October 2024, the People's Bank of China, the Ministry of Ecology and Environment, the National Financial Regulatory Administration, and the China Securities Regulatory Commission jointly issued the "Opinions on Leveraging Green Finance to Support the Construction of a Beautiful China." 《關於發揮綠色金融作用服務美麗中國建設的意見》 This document emphasized accelerating the construction of charging and battery-swapping infrastructure, advancing innovation in NEV technologies, and promoting green and low-carbon development. These measures aim to support the construction of a Beautiful China through the high-quality development of green finance.

Automotive finance plays a pivotal role in extending the automotive industry chain and driving consumption upgrades. In April 2024, the People's Bank of China and the National Financial Regulatory Administration jointly issued the "Notice on Adjusting Policies Related to Auto Loans," 《關於調整汽車貸款有關政策的通知》 optimizing the maximum loan-to-value ratio for car loans and encouraging financial institutions to integrate scenarios such as vehicle trade-ins. The notice also emphasized innovation in financial products and services. In September 2024, the National Financial Regulatory Administration released the "Notice on Promoting Non-Bank Financial Institutions' Support for Large-Scale Equipment Upgrades and Consumer Goods Trade-In Actions," 《關於促進非銀行金融機構支持大規模設備更新和消費品以舊換新行動的通知》 urging non-bank institutions to support equipment upgrades and trade-ins. it also encouraged consumer finance and auto finance companies to provide relevant consumer credit and auto finance services.

The digital transformation and upgrading of financial institutions have injected new momentum into the development of the automotive industry. In March 2024, the Government Work Report emphasized enhancing the financial system's risk resilience capabilities, utilizing financial technology and data elements to improve financial institutions' risk monitoring and fraud prevention capabilities. In November 2024, the People's Bank of China, together with six other departments, released the 'Action Plan for Promoting High-Quality Development of Digital Finance'《推動數字金融高質量發展行動方案》, proposing a systematically advancement of financial institutions' digital transformation, strengthening digital technology support capabilities, and building a robust digital financial service ecosystem.

BUSINESS REVIEW

In 2024, despite a complex macroeconomic environment and intensifying industry competition, Yixin Group maintained stable development momentum. The FinTech (SaaS) business continued to serve as the core engine for the group's expansion, while its new energy vehicle business delivered exceptional performance, revealing strong growth potential. Meanwhile, the Group deepened its focus on value-added services, enhancing its service system to cover the entire customer lifecycle and elevating the overall customer experience. By seizing opportunities amidst challenges, Yixin Group laid a solid foundation for future high-quality development.

AUTO FINANCING TRANSACTIONS

	Year ended December 31,					
	2024		2023		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	**376**	**38,698,469**	399	40,205,373	-6%	-4%
Used vehicles	**350**	**30,444,759**	279	25,744,014	25%	18%
Total	**726**	**69,143,228**	678	65,949,387	7%	5%
NEV[1]	**175**	**17,921,608**	116	12,405,367	51%	44%

Note:

(1) NEV encompasses both new and used vehicles

Our total financing transactions increased by 7% year-on-year to 726 thousand for the Reporting Period, compared to 678 thousand for the same period last year. The total financing amount increased by 5% year-on-year to RMB69.1 billion for the Reporting Period, compared to RMB65.9 billion for the same period last year.

In 2024, the automotive market faced dual challenges of weak intrinsic consumption propensity and heightened competition. Additionally, the automotive financial services sector underwent changes in key product parameters such as interest rates, down payment requirements, and loan tenors. In response to these macroeconomic shifts and market volatility, we implemented timely adjustments to our growth strategy to ensure sustainable development.

For new vehicle financing, we aligned with the industry's shift toward localization and electrification. By focusing on partnerships with mainstream brands and sales network, we maintained the profitability of our new vehicle portfolio. Our new vehicle financing transactions decreased by 6% year-on-year to 376 thousand for the Reporting Period, compared to 399 thousand for the same period last year. The financing amount decreased by 4% year-on-year to RMB38.7 billion for the Reporting Period, compared to RMB40.2 billion for the same period last year.

For used vehicle financing, we adopted a differentiated competitive strategy by expanding our reach to more long-tail customers. Leveraging on our extensive industry experience and technology capabilities accumulated over years, we implemented accurate risk based pricing to generate reasonable returns and ensure long-term healthy growth. Our used vehicle financing transactions increased by 25% year-on-year to 350 thousand for the Reporting Period, compared to 279 thousand for the same period last year. As a result, the proportion of our used vehicle financing business in our total vehicle financing transactions increased to 48% for the Reporting Period. Compared to developed markets, China's used car market shows substantial growth potential, particularly considering vehicle ownership levels and the ratio of used-to-new car sales. With ongoing improvements in the policy framework and credit infrastructure, we anticipate expanding opportunities in used car financing sector. We remain committed to strengthening our leading position in this promising market through continued strategic investments.

The Group also introduced multiple value-added offerings like battery GAP insurance, further enhancing our service chain. Looking ahead, Yixin Group will sharpen its focus on customer experience, ensuring our services meet the evolving needs of our clients. We are committed to further strengthening our market competitiveness and brand influence, actively promoting innovation and contributing to high-quality growth.

SAAS SERVICES

Leveraging its deep expertise in automotive finance, the Group has built a FinTech platform for commercial banks, OEMs, and other partners, positioning itself as one of the few full-cycle solution providers in the automotive finance sector. Powered by advanced technology, the platform has developed a comprehensive solution framework that encompasses scenario-specific engagement, intelligent decision-making, and asset operations. This framework can provide standardized solutions alongside tailored customization to strengthen their operational resilience.

We empower financial institutions with core capabilities in automobile finance business – such as robust direct customer acquisition, comprehensive channel management, and vertical risk modeling. Via our SaaS model, we assist these financial institutions in developing the capacity for independent credit evaluation and enhancing their risk management accountability. This is in line with the latest regulatory guidelines.

As market recognition of our FinTech business continues to grow, economy scale is becoming increasingly evident, with bilateral network effects and data flywheels further amplifying the advantages of declining marginal cost. By the end of 2024, we had established collaborations with nearly 60 institutions, further solidifying our market position and industry influence.

In 2024, our FinTech business sustained strong growth momentum, becoming a key driver of the company's overall performance. In 2024, financing amount facilitated through the FinTech platform totaled RMB21.1 billion, showing significant year-on-year growth. The FinTech business recorded revenue of RMB1.8 billion during the Reporting Period, marking a year-on-year growth of 290%. These achievements fully demonstrate the stability and sustainability of our FinTech model across market cycles.

As the business evolved, our FinTech services gradually developed into two distinct business models. The first is the "pure technology" solution, where we offer technology solutions to partners, such as the risk control models supplied to Porsche's leasing division, which helped them effectively identify high-quality customers. The second model is the "traffic + technology" solution, which not only facilitates transactions but also provides additional technological empowerment. For example, through our strategic partnership, the commercial banks like Bank of Ningbo, can instantly access plug-and-play automotive finance solutions. In 2024, the pure technology model facilitated RMB1.8 billion by financing amount, while the "traffic + technology" model contributed RMB19.2 billion.

Key Indicators of Fintech Core Customers[1]

	Year ended December 31,		
	2024 ***RMB'000, except for percentage***	2023 *RMB'000, except for percentage*	Year-on-year *%*
Average revenue per core customers	**103,946**	44,727	132%
Percentage of Revenue from core customers	**98%**	97%	–

Note:

(1) Core customers refer to those for whom the financing amount facilitated exceeds RMB100 million during the reporting period.

During the Reporting period, the number of core customers connected to our FinTech platform increased to 17, up from 10 in 2023. These customers accounted for 98% of the total revenue from our FinTech business. The average revenue per core customer (ARPCC) rose significantly to approximately 104 million in 2024, compared to 45 million in 2023, highlighting the strengthening connections between customers and our FinTech platform.

Looking ahead, we will continue to onboard more institutions into our platform, including but not limited to banks and automakers, boosting our market reputation and brand visibility. We will actively leverage cutting-edge technologies such as AI to enhance module functionalities and broaden the scope of our services, and inject more innovative momentum into the industry's digital development.

Technological Innovation and AI Practices

Yixin, as a specialized automotive financial technology platform, is the vanguard of the industry's technological innovation and digital transformation. Leveraging years of experience in automotive finance, the company accomplished a significant milestone in 2024 by successfully developing "Zhixin Duowei (智鑫多維)", the industry's first multimodal large model in the automotive domain. This model has been officially registered with the Cyberspace Administration of China.

The Group's intelligent robot platform serves as the cornerstone for the application of our large model technology. The AI applications developed by Yixin have been widely adopted across diverse scenarios and throughout the entire value chain of our business. By harnessing advanced technologies such as voice recognition, natural language processing, knowledge graphs, and reinforcement learning, our AI agents substantially boost operational efficiency and elevate customer satisfaction in key areas including marketing, risk management, customer service, and asset management. For instance, our AI Call Service has completed over 82 million calls, and the AI Quality Inspection Agent saves approximately 70 man-months of workload each month.

Yixin's robust R&D capabilities and extensive patent portfolio keep the company at the forefront of industry technology. Moving forward, the Group will continue to explore the commercialization of technological capabilities and AI products. This will not only enhance internal efficiency but also drive digital transformation across the industry, leading the automotive finance sector into a new era of intelligent development.

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 report. 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-IFRSs 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, impairment loss on investment in an associate, negative goodwill in relation to bargain purchase, 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,	
	2024	2023
	RMB'000	*RMB'000*
Operating profit	**1,133,604**	689,258
Add:		
Fair value changes arising from investee companies	**100,254**	84,190
Impairment loss on investment in an associate	**12,031**	–
Amortization of intangible assets resulting from asset and business acquisitions	**239,266**	242,693
Negative goodwill in relation to bargain purchase	**(100,992)**	–
Share-based compensation expenses	**54,247**	74,750
Adjusted operating profit	**1,438,410**	1,090,891

Our adjusted operating profit was RMB1,438 million for the Reporting Period, compared to RMB1,091 million for the year ended December 31, 2023. The increase was mainly due to the increase in revenue.

ADJUSTED NET PROFIT

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Net profit	**809,938**	554,958
Add:		
Fair value changes arising from investee companies	**71,732**	51,827
Impairment loss on investment in an associate	**12,031**	–
Amortization of intangible assets resulting from asset and business acquisitions	**239,175**	242,602
Negative goodwill in relation to bargain purchase	**(100,992)**	–
Share-based compensation expenses	**46,920**	60,663
Adjusted net profit	**1,078,804**	910,050

Our adjusted net profit was RMB1,079 million for the Reporting Period, compared to RMB910 million for the year ended December 31, 2023. The increase was mainly due to the increase in revenue.

YEAR ENDED DECEMBER 31, 2024 COMPARED TO YEAR ENDED DECEMBER 31, 2023

The following table sets forth the comparative figures for the years ended December 31, 2024 and 2023.

	Year ended December 31,		
	2024	2023	Year-on-year
	RMB'000	*RMB'000*	*%*
Revenues	**9,887,733**	6,685,971	48%
Cost of revenues	**(5,251,462)**	(3,438,823)	53%
Gross profit	**4,636,271**	3,247,148	43%
Selling and marketing expenses	**(1,020,334)**	(1,051,132)	-3%
Administrative expenses	**(443,412)**	(351,506)	26%
Operation and servicing expenses	**(286,118)**	(278,225)	3%
Research and development expenses	**(232,581)**	(193,858)	20%
Credit impairment losses	**(1,565,379)**	(728,733)	115%
Other income and other gains, net	**45,157**	45,564	-1%
Operating profit	**1,133,604**	689,258	64%
Finance cost, net	**(28,475)**	(15,175)	88%
Share of (losses)/profits of investments accounted for using the equity method	**(15,607)**	34,741	-145%
Profit before income tax	**1,089,522**	708,824	54%
Income tax expense	**(279,584)**	(153,866)	82%
Profit for the period	**809,938**	554,958	46%
Non-IFRSs measure			
Adjusted operating profit	**1,438,410**	1,090,891	32%
Adjusted net profit	**1,078,804**	910,050	19%

REVENUES

Our total revenues increased by 48% year-on-year to RMB9,888 million for the Reporting Period, compared to RMB6,686 million for the year ended December 31, 2023. Both self-operated financing business and transaction platform business have grown. The following table sets forth the comparative figures for the years ended December 31, 2024 and 2023.

	Year ended December 31,				
	2024			2023	
	RMB'000	***% of total revenues***	***Year-on-year***	*RMB'000*	*% of total revenues*
Revenues					
Transaction platform business					
Loan Facilitation Services	**4,317,600**	**44%**	**25%**	3,445,250	52%
SaaS Services	**1,803,835**	**18%**	**290%**	462,679	7%
Other Platform Services	**1,772,979**	**18%**	**49%**	1,188,642	17%
Guarantee services	**1,523,868**	**15%**	**58%**	963,216	14%
Value-added services	**249,111**	**3%**	**11%**	225,426	3%
Subtotal	**7,894,414**	**80%**	**55%**	5,096,571	76%
Self-operated financing business					
Financing Lease Services	**1,960,214**	**20%**	**25%**	1,570,398	23%
From new transactions during the period	**757,908**	**8%**	**0%**	755,808	11%
From existing transactions in prior periods	**1,202,306**	**12%**	**48%**	814,590	12%
Other Self-operated Services[1]	**33,105**	**0%**	**74%**	19,002	1%
Subtotal	**1,993,319**	**20%**	**25%**	1,589,400	24%
Total	**9,887,733**	**100%**	**48%**	6,685,971	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 55% year-on-year to RMB7,894 million for the Reporting Period, compared to RMB5,097 million for the year ended December 31, 2023, mainly due to the increase in revenue of our SaaS services and guarantee services. Our transaction platform business contributed 80% of total revenues for the Reporting Period, compared to 76% for the year ended December 31, 2023.

Revenues from our loan facilitation services increased by 25% year-on-year to RMB4,318 million for the Reporting Period, compared to RMB3,445 million for 2023, mainly due to the increase in extended contract tenors as well as growth in higher-margin used-car loan facilitation.

Revenues from our SaaS services demonstrated significant growth, reaching RMB1,804 million in 2024, supported by a facilitated transaction amount of RMB21.1 billion. This represents a 290% year-over-year revenue increase and a 107% expansion in transaction scale. Notably, the take rate (calculated as SaaS revenue divided by facilitated transaction amount) rose to 8.6% in 2024, compared to 4.5% for the year ended December 31, 2023. The substantial growth of facilitated transaction is primarily attributed to our collaboration with an expanded network of funding partners, and the improved take rate reflects the diversification of capital providers catering to varying risk profiles, coupled with tailored solutions aligned with distinct customer segments.

Revenues from our other platform services increased by 49% to RMB1,773 million for the Reporting Period, compared to RMB1,189 million for the year ended December 31, 2023, mainly due to the increase in revenue from guarantee services. Our revenue from guarantee services was RMB1,524 million for the Reporting Period, which increased by 58% from RMB963 million for the year ended December 31, 2023, mainly due to the increase in the number of customers with guarantees.

Self-operated financing business

Revenues from our self-operated financing business increased by 25% year-on-year to RMB1,993 million for the Reporting Period, compared to RMB1,589 million for 2023, primarily due to the increase in revenues from existing financing lease transactions in prior Period.

Revenues from our financing lease services increased by 25% year-on-year to RMB1,960 million for the Reporting Period, compared to RMB1,570 million for the year ended December 31, 2023, due to the increase in finance receivables. The adjusted average yield of our net finance receivables[1] was 9.4% for the Reporting Period, compared to 9.8% for the year ended December 31, 2023. The lower yield was mainly driven by a higher proportion of new car in the finance receivables portfolio, which typically carry lower interest rates compared to used car.

Note:

(1) Calculated by dividing revenues before the deduction of amortized directly attributable costs from financing lease services by quarterly average balance of net finance receivables.

COST OF REVENUES

For the Reporting Period, the Group's cost of revenues was RMB5,251 million, representing an increase of 53% compared to RMB3,439 million for the year ended December 31, 2023, primarily due to the increase in commissions associated with transaction platform business, and funding costs associated with self-operated financing services. Commissions increased to RMB4,138 million from RMB2,545 million in 2023, mainly due to the rising competition in the industry. Funding costs increased to RMB1,007 million from RMB782 million in 2023, resulting from increasing borrowings to support the growth of our self-operated financing business. The average cost rate[1] of the Group decreased to 4.5% for the Reporting Period, compared to 4.9% 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. The following table sets out the cost details of each business type during the period shown:

	Year ended December 31,				
	2024			2023	
	RMB'000	***% of total cost***	***Year-on-year***	*RMB'000*	*% of total cost*
Cost of revenues:					
Transaction platform business	**4,204,991**	**80%**	**61%**	2,616,234	76%
Self-operated financing business	**1,046,471**	**20%**	**27%**	822,589	24%
Total	**5,251,462**	**100%**	**53%**	3,438,823	100%

GROSS PROFIT AND MARGIN

	Year ended December 31,			
	2024		2023	
	RMB'000	***Margin***	*RMB'000*	*Margin*
Segment gross profit and gross profit margins				
Transaction platform business	**3,689,423**	**47%**	2,480,337	49%
Self-operated financing business	**946,848**	**48%**	766,811	48%
Total	**4,636,271**	**47%**	3,247,148	49%

For the Reporting Period, the Group's gross profit was RMB4,636 million, representing an increase of RMB1,389 million or 43% compared to RMB3,247 million for the year ended December 31, 2023. For the Reporting Period and the year ended December 31, 2023, the Group's gross profit margin was 47% and 49%, respectively.

Notes:

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

Transaction platform business

The gross profit margin of our transaction platform business was affected by the change of net take rate. The following table sets forth the net take rate during the periods indicated below.

	2024	2023	*Change %*
Net take rate[1]	**3.7%**	2.9%	0.8%

Net take rate of the Group for 2024 increased by 0.8 percentage points to 3.7% as compared with the previous year, which was primarily driven by a reduction in funding costs from cooperative financial partners, coupled with an expanded service fee margin resulting from a higher proportion of used car financing.

Note:

(1) Calculated by dividing revenues exclude commissions from our loan facilitation services and SaaS services by financing amounts from our transaction platform business.

Self-operated financing business

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

	2024	2023	*Change %*
Net interest spread[2]	**4.9%**	4.9%	0%

Net interest spread of the Group for 2024 remained stable at 4.9%, consistent with the previous year. This was primarily due to a 0.4 percentage point decrease in the average cost of interest-bearing liabilities, which was offset by a corresponding 0.4 percentage point decline in the average yield on finance receivables.

Notes:

(2) Calculated as the difference between the adjusted average yield and the average cost rate.

SELLING AND MARKETING EXPENSES

Selling and marketing expenses decreased by 3% year-on-year to RMB1,020 million for the Reporting Period, compared to RMB1,051 million for the year ended December 31, 2023, primarily due to the decrease in marketing and advertising expenditures, share-based compensation expenses, and partially offset by the increase in salaries. Share-based compensation expenses for our sales and marketing personnel were RMB14 million for the Reporting Period, compared to RMB26 million for the year ended December 31, 2023. 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 decreased by 2% year-on-year to RMB767 million for the Reporting Period, compared to RMB783 million for the year ended December 31, 2023.

ADMINISTRATIVE EXPENSES

Our administrative expenses increased by 26% year-on-year to RMB443 million for the Reporting Period, compared to RMB352 million for the year ended December 31, 2023, primarily due to the increase in salaries and professional service expenses. Share-based compensation expenses for our administrative personnel were RMB31 million for the Reporting Period, compared to RMB31 million for the year ended December 31, 2023. 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 increased by 29% year-on-year to RMB412 million for the Reporting Period, compared to RMB320 million for the year ended December 31, 2023.

OPERATION AND SERVICING EXPENSES

Our operation and servicing expenses increased by 3% from RMB278 million for the year ended December 31, 2023 to RMB286 million for the year ended December 31, 2024, primarily due to the increase of asset balance, partially offset by our expense control measures leveraging AI-powered intelligent technologies to optimize operational efficiency.

RESEARCH AND DEVELOPMENT EXPENSES

Our research and development expenses increased by 20% year-on-year to RMB233 million for the Reporting Period, compared to RMB194 million for the year ended December 31, 2023, primarily due to the increase in salaries and professional service expenses. Share-based compensation expenses for our research and development personnel were RMB9 million for the Reporting Period, compared to RMB18 million for the year ended December 31, 2023. After eliminating the effect of certain non-cash item, namely share-based compensation expenses, research and development expenses increased by 27% year-on-year to RMB223 million for the Reporting Period, compared to RMB176 million for the year ended December 31, 2023, primarily due to the increase of research and development input in respect of the FinTech team.

CREDIT IMPAIRMENT LOSSES

Credit impairment losses increased by approximately 115% year-on-year to RMB1,565 million for the Reporting Period, compared to RMB729 million for the year ended December 31, 2023, which was primarily attributable to two key factors: the growth in the asset balance and the prudent enhancement of the provision coverage ratio as a risk mitigation measure against heightened economic uncertainties. The following table sets forth a breakdown of the provision for assets of the Group for the periods indicated:

	For the year ended 31 December				
	2024		2023		
	RMB'000	***% of total***	*RMB'000*	*% of total*	*Change %*
Provision for finance receivables	**584,472**	**37.34%**	422,507	60.72%	32.08%
Reversal of finance receivable after write-off	**(59,706)**	**-3.81%**	(148,797)	-20.42%	-59.87%
Provision for other receivables	**382,996**	**24.47%**	276,981	38.01%	38.28%
Provision for risk assurance liabilities	**645,949**	**41.26%**	158,059	21.69%	308.68%
Provision for trade receivables	**11,668**	**0.76%**	(17)	0.00%	N/A
Total	**1,565,379**	**100.00%**	728,733	100.00%	114.81%

OTHER INCOME AND OTHER GAINS, NET

Our other income and other gains, net decreased by 1% year-on-year to RMB45 million for the Reporting Period, compared to RMB46 million for the year ended December 31, 2023. A new gain from a bargain purchase was offset by larger fair value losses on financial assets and net foreign exchange losses, leading to this overall decline.

OPERATING PROFIT

Our operating profit for the Reporting Period was RMB1,134 million, compared to RMB689 million for the year ended December 31, 2023, mainly due to the increase in gross profit.

FINANCE COST, NET

Our finance cost, net for the Reporting Period was RMB28 million, compared to RMB15 million for the year ended December 31, 2023, mainly due to the increase in operational borrowings which attributed to the expansion of the company's business activities.

INCOME TAX EXPENSE

Our income tax expense was RMB280 million for the Reporting Period, compared to RMB154 million for the year ended December 31, 2023. This was mainly due to the increase in profit before income tax and the occurrence of certain expenses for which deferred income assets could not be recognized during the Reporting Period.

PROFIT FOR THE PERIOD

Our profit was RMB810 million for the Reporting Period, compared to RMB555 million for the year ended December 31, 2023, due to the increase in gross profit.

DIVIDEND

The Board has recommended the payment of a final dividend of HK6.5 cents per Share and a special dividend of HK6.5 cents per Share for the year ended December 31, 2024 (2023: a final dividend of HK3.00 cents per Share). The total amount of the proposed final and special dividends is approximately HK$878.5 million (equivalent to approximately RMB810.9 million) (2023: the total amount of final dividends is approximately HK$195.7 million), which is based on 6,757,594,701 Shares in issue on February 27, 2025.

SELECTED FINANCIAL INFORMATION FROM OUR CONSOLIDATED BALANCE SHEET

	As at December 31,		
	2024	2023	Year-on-year
	RMB'000	*RMB'000*	*%*
Carrying amount of finance receivables	**28,117,882**	23,884,879	18%
Cash and cash equivalents	**4,212,760**	3,479,550	21%
Total borrowings	**26,948,957**	23,155,782	16%
Current assets	**22,949,977**	21,266,259	8%
Current liabilities	**18,305,774**	15,990,417	14%
Net current assets	**4,644,203**	5,275,842	-12%
Total equity	**16,480,133**	15,765,170	5%

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 RMB28.1 billion as at December 31, 2024, compared to RMB23.9 billion as at December 31, 2023.

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,	
	2024	2023
	(RMB'000, except for percentage)	
Finance receivables, net (ending balance)	**29,050,309**	24,639,182
Provision for expected credit losses (ending balance)	**(932,427)**	(754,303)
Provision to net finance receivables ratio[1]	**3.21%**	3.06%

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, 2024		December 31, 2023	
	RMB'000	***% of total***	*RMB'000*	*% of total*
Maturity date				
Within 1 year	**10,587,862**	**36.45%**	9,618,946	39.04%
1 to 2 years	**7,888,941**	**27.16%**	6,665,509	27.05%
2 to 3 years	**5,376,668**	**18.51%**	4,530,717	18.39%
Above 3 years	**5,196,838**	**17.88%**	3,824,010	15.52%
Total	**29,050,309**	**100.00%**	24,639,182	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, 2024, net finance receivables due within one year as set forth in the table above represented 36.45% 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 162 thousand financed transactions through self-operated financing business for the Reporting Period, 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 transaction platform business, the Group is obligated to purchase the relevant loans upon certain specified events of default by car buyers. As of December 31, 2024, the total outstanding balance of loans funded by financial institutions under such arrangements was RMB73.9 billion. As of December 31, 2024, the risk assurance liabilities recognized by the Group under such financial guarantee contracts was RMB2.3 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, 2024	December 31, 2023
Past due ratio:		
180+ days[1]	**1.39%**	1.49%
90+ days (including 180+ days)[2]	**1.86%**	1.89%

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.

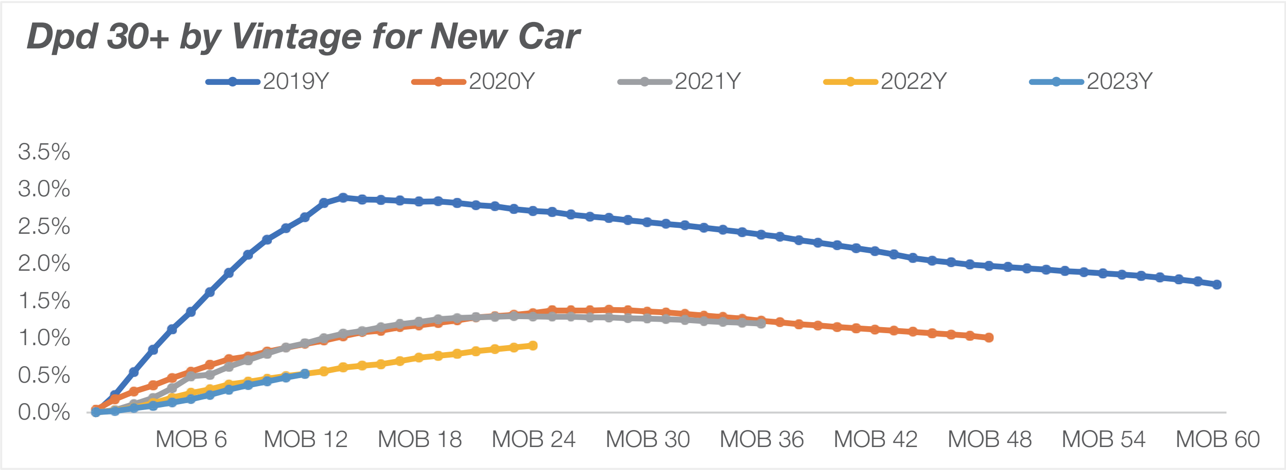
(2) 90+ days (including 180+ days) past due net finance receivables from our self-operated financing lease services and past due outstanding loan balances from our loan facilitation service divided by total net finance receivables and outstanding loan balances.

As at December 31, 2024, 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 1.39% and 1.86%, respectively (December 31, 2023: 1.49% and 1.89%, 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 underwriting considering the uncertainties of macro-economic environment in 2024. Through our newly launched early warning and decision-making engine, we could approach delinquent customers at early stage.

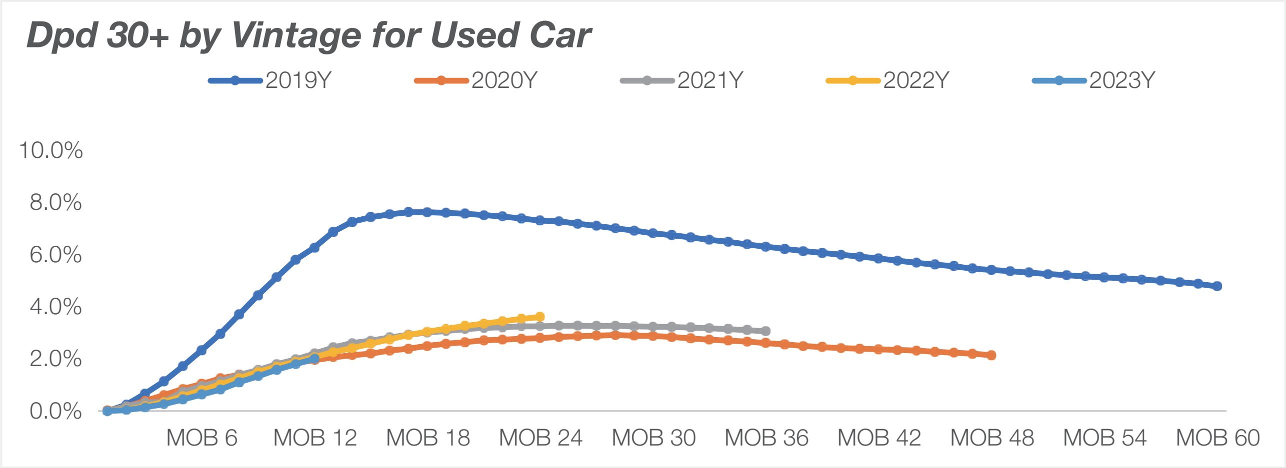
DAY PAST DUE RATIO BY VINTAGE

DPD 30+ delinquency rates by vintage is defined as the total balance of outstanding principal of a vintage for which any payment is over 30 calendar days past due as of a particular date (adjusted to reflect total amount of recovered principal after write-offs), divided by the total initial principal in such vintage. Months on book, or MOB, is the number of complete calendar months that have elapsed since the calendar month in which the assets was originated, measured at the end of each calendar month.

The following chart depicts the DPD 30+ delinquency rates by vintage as of December 31, 2024, for all new car financing that have been originated by us.



The following chart depicts the DPD 30+ delinquency rates by vintage as of December 31, 2024, for all used car financing that have been originated by us.



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.

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, 2024, our cash and cash equivalents amounted to RMB4,213 million, compared to RMB3,480 million as at December 31, 2023. The increase in cash and cash equivalents was mainly due to the improvement of profitability and working capital management.

As at December 31, 2024, RMB3,344 million of our cash and cash equivalents were denominated in RMB, compared to RMB3,115 million as at December 31, 2023.

Our net cash used in operating activities was RMB2.0 billion for the Reporting Period, compared to RMB8.7 billion for the year ended December 31, 2023, which was primarily driven by accelerated recovery of loan facilitation receivables due to enhanced collection measures, and a reduction in self-operated leasing activities.

BORROWINGS AND SOURCE OF FUNDS

By leveraging our leading industry position as well as continuously improved profitability and asset performance, we obtained more recognition by financial institutions and further expanded funding channels to support the funding needs of the Group.

As at December 31 2024, our total borrowings were RMB26.9 billion, compared to RMB23.2 billion, as at December 31, 2023. 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 RMB6.6 billion as at December 31, 2024; and (ii) bank loans and borrowings from other institutions of RMB20.3 billion. Asset-backed securities and asset-backed notes as a percentage of our total borrowings was 25% as at December 31, 2024.

As at December 31, 2024, Yixin, as the original owner and sponsor, has issued in aggregate 63 standardized products, totaling RMB58.5 billion, on the Shanghai Stock Exchange, National Association of Financial Market Institutional Investors, and Shanghai Insurance Exchange, etc. In February 2024, Yixin successfully issued its first medium-to-long-term private placement notes (PPN), marking a significant milestone in its credit financing journey. In November 2024, Yixin achieved another breakthrough by securing its first onshore RMB ESG-linked syndicated loan, amounting to RMB300 million with a 2-year tenor. In December 2024, Yixin made history by issuing its first offshore bond, which was also the first Japanese yen-denominated bond issued by the Group and the first sustainability-linked bond under the overseas donation mechanism for the Group. The bond, with an initial issuance size of JPY 4 billion and a 3-year tenor, set a precedent in the industry. This transaction supports Yixin's international business expansion and enhances its brand recognition across global markets.

NET CURRENT ASSETS

Our net current assets decreased by 12% to RMB4,644 million as at December 31, 2024, compared to RMB5,276 million as at December 31, 2023. Our current assets were RMB23.0 billion as at December 31, 2024, compared to RMB21.3 billion as at December 31, 2023, primarily due to the increase of the current portion of finance receivables. Our current liabilities were RMB18.3 billion as at December 31, 2024, compared to RMB16.0 billion as at December 31, 2023, primarily due to the new borrowings.

TOTAL EQUITY

Our total equity increased to RMB16.5 billion as at December 31, 2024, compared to RMB15.8 billion as at December 31, 2023, primarily due to the net profit incurred during the Reporting Period.

	As at December 31,	
	2024	2023
Current ratio (times)[(1)]	**1.25**	1.33
Gearing ratio[(2)]	**55%**	53%
Debt to equity ratio (times)[(3)]	**1.64**	1.47

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 1.25 as at December 31, 2024, compared to 1.33 as at December 31, 2023, mainly due to the increase in the current portion of borrowings of the Group.

Gearing Ratio

Our gearing ratio increased to 55% as at December 31, 2024, compared to 53% as at December 31, 2023, mainly due to the increase in the net debt of the Group.

Debt to Equity Ratio

Our debt-to-equity ratio increased to 1.64 as at December 31, 2024, compared to 1.47 as at December 31, 2023, 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	
	2024	2023
	RMB'000	*RMB'000*
Purchase of property and equipment and non-current assets	**235,766**	30,184
Prepayment for equity transactions	**50,000**	384,000
Purchase of intangible assets	**9,004**	611
Investments in financial assets at fair value through profit or loss	**28,035**	226,790
Investments in associates in the form of ordinary shares	**129,048**	54,000
Total	**451,853**	695,585

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 rate 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 22 and Note 29 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 year-on-year growth in transaction volume and sales revenue during the Reporting Period, thanks to its solid market leadership and the sustainable development of used car market in China. Yusheng continued to expand its national sales network and enhanced market share in key cities by opening multiple stores and upgrading existing stores. To embrace customers' increasing attention to new media including live streaming and their evolving online shopping habits, Yusheng increased its investment in new media during the Reporting Period by introducing a team of live streamers on store level. On overseas expansion, Yusheng established partnership with over 100 dealers and sold thousands of used cars in Middle East and Africa.

As at December 31, 2024, the fair value of our investment in Yusheng was RMB2,578,853,000 (December 31, 2023: RMB2,523,091,000), which constituted 5.3% of the total assets of the Group (December 31, 2023: 5.8%). The Company did not receive any dividends in respect of its investment in Yusheng for the years ended December 31, 2024 and 2023, and there were unrealized gains of approximately RMB17,940,000 from changes in fair value arising from the investee company for the year ended December 31, 2024 (2023: RMB64,217,000).

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 report, 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, 2024, we had 4,278 full-time employees (December 31, 2023: 4,231). 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 (which was terminated with effect from July 9, 2024), the Second Share Award Scheme and the 2024 Share Scheme, the details of which are set out in the Prospectus and Note 25 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 RMB1,019 million, compared to RMB945 million for the year ended December 31, 2023.

MATERIAL ACQUISITIONS AND DISPOSALS

Save as disclosed in this report, 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 22 and Note 29 to the consolidated financial statements.

CONTINGENT LIABILITIES

As at December 31, 2024, we did not have any material contingent liabilities (December 31, 2023: nil).

DIRECTORS AND SENIOR MANAGEMENT

OUR DIRECTORS

The biography of each Director is set out below.

EXECUTIVE DIRECTORS

Mr. Andy Xuan Zhang, aged 49, is the Chairman of the Board, an executive Director and the Chief Executive Officer of the Company. He is also the chairman of the Nomination Committee as well as a member of the Remuneration Committee of the Company. Mr. Zhang also acts as a director of certain subsidiaries of the Company. Mr. Zhang founded the Group in December 2013. He is responsible for the overall strategic planning and business direction of the Group and daily management of the Company. Mr. Zhang has over 20 years of operational and managerial experience with both multinational and local Chinese companies across internet, automobile and finance industries. Mr. Zhang held numerous positions in Bitauto since 2006 and has been the executive director and chief executive officer since January 2018.

Mr. Zhang obtained his bachelor's degree in finance and accounting from New York University in May 1999. Mr. Zhang has also been granted a certified public accountant by the Education Department of New York State, United States in October 2003.

Mr. Rodney Ling Kay Tsang, aged 53, has been an executive Director and the vice chairman of the Board since February 27, 2025. Mr. Tsang has been the director of Hammer Capital (Hong Kong) Limited since 2014. Mr. Tsang has 20 years of investment banking experience and also has strong expertise covering private sector clients in China, in particular those in industry groups including technology, media, real estate, financial institution, alternate energy, Internet, consumer and retail, hospitality, gaming and education.

Mr. Tsang graduated from the University of New South Wales, Australia with a Bachelor of Commerce degree in Accounting and Finance.

Mr. Dong Jiang, aged 53, is an executive Director, our Joint President and a director of certain subsidiaries of the Company. He joined the Company in March 2015 and was the chief operating officer of the Company from June 2017 to December 2017. Mr. Jiang is primarily responsible for overseeing the day-to-day operations of the Company. On January 2, 2024, Mr. Jiang was appointed as the chief executive officer of Yusheng. Prior to joining our Group, from February 2011 to March 2015, Mr. Jiang was group deputy manager of China Grand Automotive Services Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600297). From January 2008 to January 2010, he was senior vice president of China Auto Rental Inc. (now known as CAR Inc.), a company previously listed on the Main Board of the Stock Exchange (stock code: 699).

Mr. Jiang obtained his bachelor's degree in aquaculture from Dalian Ocean University in July 1993 and master's degree in business administration from Peking University in July 2011.

NON-EXECUTIVE DIRECTORS

Mr. Qing Hua Xie, aged 46, is a non-executive Director since April 2022. Mr. Xie joined Tencent in December 2003, and currently serves as the corporate vice president of Tencent. Mr. Xie has served as a director and the chairman of the compensation committee of Huya Inc. (a company listed on NYSE (stock code: HUYA)) since April 2023; a non-executive director and a member of the audit committee of Tongcheng Travel Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 0780)) since April 2023; and a non-executive director and a member of the audit committee of China Literature Limited (a company listed on the Main Board of the Stock Exchange (stock code: 772)) since May 2023. Mr. Xie obtained a bachelor's degree in economics from Sun Yat-Sen University in 2001.

Ms. Amanda Chi Yan Chau, aged 43, is a non-executive Director since May 2021. Ms. Chau has been employed by Hammer Capital (Hong Kong) Limited as managing director since July 2014. Prior to that, she was director of investment banking at Citigroup Global Markets Asia Limited. Ms. Chau has a combined 10 years of investment banking experience with Credit Suisse (Hong Kong) Limited, Merrill Lynch (Asia Pacific) Limited and Citigroup Global Markets Asia Limited. During this period, Ms. Chau has originated and executed many capital markets and mergers and acquisitions transactions for corporate clients across Asia Pacific.

Ms. Chau graduated from the Northwestern University, United States with a master of science degree in industrial engineering and management sciences, and from The University of Chicago, United States with a bachelor of arts degree in economics.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Tin Fan Yuen, aged 72, is an independent non-executive Director, chairman of the Remuneration Committee and a member of the Audit Committee. Mr. Yuen joined our Group in June 2017 and was appointed as an independent non-executive Director on November 6, 2017. He was formerly chief executive of the Stock Exchange from October 1988 to October 1991, deputy chairman and executive director of the Pacific Century Group from 1996 to 2006, deputy chairman and executive director of PCCW Limited, a company listed on the Main Board of the Stock Exchange (stock code: 8), from August 1999 to June 2006, executive chairman of Pacific Century Insurance Holdings Limited (now known as FTL Asia Holdings Limited), a company previously listed on the Main Board of the Stock Exchange (stock code: 65), from June 1999 to July 2007, independent non-executive director of China Foods Limited, a company listed on the Main Board of the Stock Exchange (stock code: 506), from July 1993 to August 2017 and independent non-executive director of Agricultural Bank of China Limited, a company listed on the Main Board of the Stock Exchange (stock code: 1288) and the Shanghai Stock Exchange (stock code: 601288), from March 2013 to August 2019.

Mr. Yuen currently holds positions in the following publicly listed companies:

- Pacific Century Regional Developments Limited, a company listed on the Singapore Exchange Limited (stock code: P15), as an independent non-executive deputy chairman since February 2015 and was redesignated as the deputy chairman, non-executive non-independent director with effect from April 16, 2024; and

- Shanghai Industrial Holdings Limited, a company listed on the Main Board of the Stock Exchange (stock code: 363), as an independent non-executive director since July 2016.

Mr. Yuen obtained his bachelor of arts degree in economics from the University of Chicago in June 1975. He is the chairman of the board of trustees of the Hong Kong Centre for Economic Research, chairman of the board of Ortus Capital Management Limited, and a member of the board of trustees of University of Chicago and Fudan University.

Mr. Chester Tun Ho Kwok, aged 61, is an independent non-executive Director, chairman of the Audit Committee and a member of the Nomination Committee. Mr. Kwok joined our Group in June 2017 and was appointed as an independent non-executive Director on November 6, 2017. On November 6, 2024, Mr. Kwok was appointed as an independent non-executive director, a member of the audit committee, the nomination committee and the remuneration committee of Greenland Hong Kong Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 337)). Since April 29, 2021, Mr. Kwok was appointed as an independent non-executive director, a member of the audit committee and the nomination and remuneration committee of SF REIT Asset Management Limited, the manager of SF Real Estate Investment Trust which was listed on the Main Board of the Stock Exchange on May 17, 2021 (stock code: 2191). Since January 2016, Mr. Kwok has been an independent non-executive director and a member of the audit committee and investment committee of Henderson Sunlight Asset Management Limited ("**Henderson Sunlight**"), the manager of Sunlight Real Estate Investment Trust which was listed on the Main Board of the Stock Exchange (stock code: 435). With effect from November 1, 2018, Mr. Kwok was appointed as a member of the remuneration and nomination committee of Henderson Sunlight.

While in the banking industry, Mr. Kwok served in a senior capacity in a number of international financial institutions, including Credit Suisse (Hong Kong) Limited and Standard Chartered Bank (Hong Kong) Limited.

Mr. Kwok obtained his bachelor of arts degree from the University of Cambridge in June 1985. He has been a member of the Hong Kong Securities Institute since 1998 and a fellow of the Hong Kong Institute of Directors since 2016.

Ms. Lily Li Dong, aged 54, is an independent non-executive Director, a member of the Audit Committee, the Remuneration Committee and the Nomination Committee. Ms. Dong joined our Group in June 2017 and was appointed as independent non-executive Director on November 6, 2017. Since May 20, 2021, Ms. Dong was appointed as an independent non-executive director, chairwoman of the audit committee, a member of the remuneration committee and the nomination committee of Angelalign Technology Inc., a company listed on the Main Board of the Stock Exchange on June 16, 2021 (stock code: 6699). Ms. Dong carried these roles until April 3, 2023 when she was re-designated to be an executive director and appointed as the chief financial officer of Angelalign Technology Inc. Ms. Dong was also an independent director of Telink Semiconductor (Shanghai) Co., Ltd. (泰凌微電子(上海)股份有限公司) from January 5, 2021 to December 29, 2023. It was listed on the Science and Technology Innovation Board of the Shanghai Stock Exchange (stock code: 688591) on August 16, 2023. Ms. Dong was an independent non-executive director of 58.com Inc., a company previously listed on the NYSE (stock code: WUBA) from April 2020 to September 2020. Prior to that, she served as chief financial officer at RDA Microelectronics, Inc., a fabless semiconductor company previously listed on Nasdaq Global Select Market (stock code: RDA) ("**RDA**"), from November 2007 to July 2015, and was its director from January 2014 to July 2015. Ms. Dong worked for Hewlett-Packard in China since 1992, and was the finance operations manager of Hewlett-Packard Technology (Shanghai) Co., Ltd. when she left in 2005.

Ms. Dong obtained her bachelor's degree in economics from the Nanjing University of Science and Technology in July 1992 and her executive master's degree in business administration from China Europe International Business School in November 2004. She is an accountant recognized by the Ministry of Finance of the People's Republic of China in October 1994.

Mr. Henry Chi Hung Yim, aged 63, has been an independent non-executive Director and a member of the Audit Committee since February 27, 2025. Mr. Yim has over 30 years of experience in financial auditing. Mr. Yim joined Ernst & Young in February 1991 and subsequently held various audit positions at Ernst & Young and Ernst & Young Hua Ming LLP (or its predecessor, as the case may be) until he became an audit partner of such entities in July 2004. Mr. Yim served as an audit partner until December 2021 when he retired from all of such entities. Mr. Yim has been an independent non-executive director of Guotai Junan Securities Co., Ltd. (國泰君安証券股份有限公司), a company listed on Shanghai Stock Exchange (stock code: 601211) and the Stock Exchange (stock code: 2611), since May 2023. Mr. Yim is also an independent non-executive director of Breton Technology Co., Ltd. (博雷頓科技股份公司) and Beijing Tong Ren Tang Healthcare Investment Co., Ltd.(北京同仁堂医养投资股份有限公司) since April 2024 and June 2024, respectively. Mr. Yim received a Bachelor's Degree in Social Science from the University of Hong Kong in November 1984. Mr. Yim has been a member of the Hong Kong Institute of Certified Public Accountants since April 1988, and a fellow member of the Association of Chartered Certified Accountants in the United Kingdom since June 1993.

OUR SENIOR MANAGEMENT

Mr. Zhi Gao, aged 53, joined our Group in September 2016. Mr. Gao has been appointed as our Joint President since March 24, 2022, and is primarily responsible for managing auto finance operations of our Group. Mr. Gao previously served as our Chief Operating Officer and vice president of operations. Prior to joining our Group, Mr. Gao was employed at Coca-Cola Industries Management (Shanghai) Co., Ltd. (可口可樂企業管理(上海)有限公司) from April 2002 to August 2016, serving as duty general manager and market executive head of Coca-Cola Bottling Plant prior to his departure.

Mr. Gao graduated from the chemical engineering department of Dalian Institute of Light Industry (大連輕工業學院) (currently known as Dalian Polytechnic University (大連工業大學)) in July 1993. He also received his executive master's degree in business administration from Dalian University of Technology in June 2015.

Mr. Rui Song, aged 51, joined our Group in January 2019. Mr. Song has been appointed as our Chief Operating Officer since March 24, 2022, and is primarily responsible for managing auto finance operations of our Group. Mr. Song previously served as our senior vice president. Prior to joining our Group, Mr. Song was employed at DIFU Holding Group Co., Ltd. from 2017 to 2018, serving as general manager of DIFU Holding Group Co., Ltd. prior to his departure. Mr. Song was employed at Coca Cola Industries Management (Shanghai) Co., Ltd. from 1996 to 2017, serving as a sales director of Coca Cola Bottling Plant.

Mr. Song graduated from the foreign languages department of Lanzhou University in July 1995.

Mr. Xiaoguang Yang, aged 49, joined our Group in June 2020 as our Chief Financial Officer. Prior to joining our Group, Mr. Yang served as the chief financial officer and a director of Wacai Network Technology Co., Ltd.* (挖財網絡技術有限公司). Prior to that, Mr. Yang served at Fullerton Credit Services of Fullerton Financial Holdings Pte. Ltd., a wholly-owned subsidiary of Temasek Holdings Pte. Ltd., Singapore, from 2014 to 2016 as chief financial officer, responsible for corporate finance, equity financing and legal affairs. Mr. Yang also held financial management positions in Far East Horizon Limited, a company listed on the Main Board of the Stock Exchange (stock code: 3360) and GE Capital of General Electric Company, a company listed on the NYSE (NYSE: GE).

Mr. Yang holds a bachelor's degree from Nankai University and a master's degree in business administration from Arizona State University.

COMPANY SECRETARY

Mr. Man Wah Cheng is the Company Secretary. Mr. Cheng is a Certified Public Accountant of the HKICPA and a fellow member of the Association of Chartered Certified Accountants. Mr. Cheng has around 20 years of experience in accounting, finance, taxation and corporate secretarial fields.

CHANGES IN INFORMATION OF THE DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, subsequent to the date of the 2024 interim report of the Company and up to the date of this annual report, changes in information of Directors are set out below:

Name of Director	Details of Change	Effective Date
Mr. Chester Tun Ho Kwok	Appointed as an independent non-executive director, a member of the audit committee, the nomination committee and the remuneration committee of Greenland Hong Kong Holdings Limited (a company listed on the Main Board of the Stock Exchange (stock code: 337))	November 6, 2024
Mr. Qin Miao	Resigned as non-executive Director	January 13, 2025
Mr. Rodney Ling Kay Tsang	Appointed as an executive Director and the vice chairman of the Board(1)	February 27, 2025
Mr. Henry Chi Hung Yim	Appointed as an independent non-executive Director and a member of the Audit Committee(1)	February 27, 2025

Note 1: For further details, please refer to the announcement of the Company dated February 27, 2025.

Save for the information disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

REPORT OF THE DIRECTORS

The Board presents its report together with the audited consolidated financial statements of the Group for the year ended December 31, 2024.

GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on November 19, 2014 as an exempted limited liability company under the Cayman Companies Law. The Company adopted and carries on business in Hong Kong under the name of "Yixin Automotive Technology Group Limited".

PRINCIPAL ACTIVITIES

The Group is principally engaged in the operation of an online automobile finance transaction platform in China. The Group operates its business in two segments: (i) transaction platform business, where we primarily facilitate auto loans to consumers offered by our auto finance partners; and (ii) self-operated financing business, where we primarily provide consumers with auto finance solutions through financing leases.

The analysis of the Group's revenues and contribution to results by business segments and the Group's revenues by geographical areas of operations are set out in Note 5 to the consolidated financial statements.

USE OF PROCEEDS

Our shares were listed on the Stock Exchange on the Listing Date 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, 2024, the Group had utilised the proceeds in accordance with the intended use as set out in the Prospectus, as detailed in the table below:

	Net proceeds from the IPO		**Utilization up to December 31, 2024**		**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	1,301,519	1,105,016	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**	**6,507,595**	**5,525,077**	**36,351**	**30,863**	**–**	**–**

The net proceeds have been fully utilized during the Reporting Period.

BUSINESS REVIEW

A fair review of the business of the Group during the Reporting Period and a discussion on the Group's future business development are set out in the "Chairman's Statement" and the "Management Discussion and Analysis" sections of this annual report. Particulars of important events affecting the Group that have occurred during the Reporting Period are included in the abovementioned sections. Also, the financial risk management objectives and policies of the Group can be found in Note 3 to the consolidated financial statements. An analysis of the Group's performance during the year using financial key performance indicators is provided in the "Management Discussion and Analysis" and "Five-Year Financial Summary" sections of this annual report. Description of principal risks and uncertainties that the Group may be facing can be found in the "Chairman's Statement", "Management Discussion and Analysis" and "Risks relating to the New Contractual Arrangements" sections of this annual report.

In addition, discussions on the Group's environmental policies and performance, including compliance with the relevant laws and regulations that have a significant impact on the Group, and relationships with its key stakeholders (including employees, customers and suppliers and others) are included in the section headed "Major Customers and Suppliers" in this annual report as well as in the "ESG Report" and the "Corporate Governance Report" contained in this annual report. All the review, discussions and analysis mentioned above form part of this annual report.

RESULTS

The results of the Group for the year ended December 31, 2024 are set out in the consolidated income statement of this annual report.

The Board has recommended the payment of a final dividend of HK6.5 cents per Share and a special dividend of HK6.5 cents per Share for the year ended December 31, 2024 to Shareholders whose names appear on the register of members of the Company on Tuesday, May 27, 2025. The total amount of the proposed final and special dividends is estimated to be approximately HK$878.5 million (equivalent to approximately RMB810.9 million) based on 6,757,594,701 Shares at the date of this annual report. 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.

The recommended final dividend of HK6.5 cents per Share and a special dividend of HK6.5 cents per Share will be considered at the Annual General Meeting.

There was no arrangement under which any Shareholder has waived or agreed to waive any dividend during the Reporting Period.

SHARE CAPITAL

Details of movements in the share capital of the Company for the year ended December 31, 2024 are set out in Note 23 to the consolidated financial statements.

During the year ended December 31, 2024, 63,000 new Shares were issued pursuant to the Pre-IPO Share Option Scheme as a result of the exercise of share options by option holders and nil Shares were issued pursuant to the First Share Award Scheme as a result of the grant of share awards, and nil Shares were issued pursuant to the 2024 Share Scheme as a result of the grant of share options.

During the year ended December 31, 2024, the Group did not hold or sell any treasury Shares.

RESERVES

As at December 31, 2024, the Company had distributable reserves amounting to RMB18,672,568,000 (2023: RMB18,513,710,000).

Details of movements in the reserves of the Group and the Company during the year ended December 31, 2024 are set out in the consolidated statement of changes in equity on pages 175 to 176 and in Note 37(b) to the consolidated financial statements, respectively.

PROPERTY AND EQUIPMENT

Details of movements in the property and equipment of the Group during the year ended December 31, 2024 are set out in Note 12 to the consolidated financial statements.

SUBSIDIARIES

Particulars of the Company's subsidiaries are set out in Note 39 to the consolidated financial statements.

DEBENTURES AND BORROWINGS

As at December 31, 2024, our total borrowings were RMB26.9 billion, compared to RMB23.2 billion as at December 31, 2023. Total borrowings comprised (i) asset-backed securities and notes of RMB6.6 billion; and (ii) bank loans and borrowings from other institutions of RMB20.3 billion as at December 31, 2024. Details of the Group's borrowings are set out in Note 29 to the consolidated financial statements.

Save for the issuance of the offshore bond in December 2024 (as disclosed in the section headed "Management Discussion and Analysis - Borrowings and Source of Funds") and otherwise disclosed in this annual report, the Group did not issue any debenture during the Reporting Period (2023: nil).

DONATIONS

During the year ended December 31, 2024, the Group made charitable donations amounted to RMB164,400 (2023: nil).

SUMMARY OF FINANCIAL INFORMATION

A summary of the condensed consolidated results and financial positions of the Group for the last five financial years is set out on page 277 of this annual report.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the year ended December 31, 2024, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities (including sale or transfer of treasury Shares, if any).

EMOLUMENT POLICY AND DIRECTORS' REMUNERATION

In compliance with the CG Code as set out in Appendix C1 to the Listing Rules, the Company has established the Remuneration Committee to formulate remuneration policies. The remuneration is determined and recommended based on each Director's and senior management personnel's qualification, position and seniority. As for the independent non-executive Directors, their remuneration is determined by the Board upon recommendation from the Remuneration Committee. The Directors and the senior management personnel are eligible participants of the Pre-IPO Share Option Scheme, the First Share Award Scheme, the Second Share Award Scheme and the 2024 Share Scheme (as defined below). Details of the remuneration of the Directors, senior management and the five highest paid individuals are set out in Note 34, Note 8(a) and Note 8(b), respectively, to the consolidated financial statements.

None of the Directors waived or agreed to waive any remuneration.

SHARE INCENTIVE SCHEMES

The Company has the following share incentive schemes, namely the Pre-IPO Share Option Scheme, the First Share Award Scheme (terminated with effect from the 2024 Share Scheme taking effect on July 9, 2024), the Second Share Award Scheme and the 2024 Share Scheme (approved at the extraordinary general meeting of the Company on June 27, 2024 with the 2024 Share Scheme Listing Approval granted on July 9, 2024). For those existing share schemes adopted before the effective date of the new Chapter 17 of the Listing Rules on January 1, 2024, the Company has complied and will continue to comply with the new Chapter 17 to the extent required by the transitional arrangements.

1. Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme was approved and adopted by the Board on May 26, 2017, and amended on September 1, 2017.

Purpose

The purpose of the Pre-IPO Share Option Scheme is to promote the success and enhance the value of the Company, by linking the personal interests of the members of the Board, employees, consultants and other individuals to those of the Shareholders and, by providing such individuals with an incentive for outstanding performance, to generate superior returns to the Shareholders. The Pre-IPO Share Option Scheme is further intended to provide flexibility to the Company in its ability to motivate, attract and retain the services of recipients upon whose judgment, interest, and special effort the successful conduct of the Company's operation is largely dependent.

Eligible participants

Any employees, consultants, all members of the Board, and other individuals, as determined, authorized and approved by the Board or a committee authorised by the Board (the "**Committee**").

Maximum number of Shares

The overall limit on the number of options to be granted pursuant to the Pre-IPO Share Option Scheme is 418,464,263 underlying Shares, after taking into account the Capitalization Issue.

No further grants under the Pre-IPO Share Option Scheme will be made after the Listing.

As at December 31, 2024, outstanding options representing 235,100,848 underlying Shares were granted to eligible participants pursuant to the Pre-IPO Share Option Scheme. Details of the Pre-IPO Share Option Scheme are set out in Note 25(a) to the consolidated financial statements.

Maximum entitlement for each participant

Under the Pre-IPO Share Option Scheme, there is no specific limit on the maximum number of shares which may be granted to a single eligible participant.

Remaining life of the Pre-IPO Share Option Scheme

The Pre-IPO Share Option Scheme commenced on May 26, 2017 (the "**Effective Date**") and shall be valid and effective for 10 years. As at the date of this annual report, the remaining life of the Pre-IPO Share Option Scheme is less than 4 years unless earlier terminated in accordance with its terms. Any options that are outstanding on the tenth anniversary of the Effective Date shall remain in force according to the terms of the Pre-IPO Share Option Scheme and the applicable award agreement between the Company and the participant.

Consideration

Nil consideration is required to be paid by the grantees for the grant of options under the Pre-IPO Share Option Scheme.

SHARE INCENTIVE SCHEMES (CONTINUED)

1. Pre-IPO Share Option Scheme (Continued)

Option period

The term of any option granted under the Pre-IPO Share Option Scheme shall not exceed 10 years, subject to the Shareholders' approval of extension of the exercise period for an option beyond 10 years from the date of grant. The Board shall also determine any conditions, if any, that must be satisfied before all, or part of the options may be exercised.

The Board has the authority to determine the minimum period for which an option must be held before it can vest. The Pre-IPO Share Option Scheme does not specify any minimum holding period or performance targets.

Exercise price

The exercise price per Share subject to an option shall be determined by the Committee and set forth in the award agreement and may be a fixed or variable price related to the fair market value of the Shares.

Details of the movement of the options granted under the Pre-IPO Share Option Scheme during the year are as follows:

				Number of options					
Name or category of option holders	**Date of grant**	**Exercise period**	**Exercise price**	**Outstanding as at January 1, 2024**	**Exercised during the year**	**Cancelled during the year**	**Lapsed during the year**	**Outstanding as at December 31, 2024**	**Weighted average closing price immediately before the exercise date during the Reporting Period (HK$)**
Director and senior management									
Mr. Andy Xuan Zhang	July 3, 2017	10 years from date of grant	US$0.0014	168,464,000	–	–	–	168,464,000[1]	N/A
	October 1, 2017	10 years from date of grant	US$0.0014	65,002,189	–	–	–	65,002,189[1]	N/A
Mr. Zhifeng Jia (賈志峰)	July 3, 2017	10 years from date of grant	US$0.0014	700,000	–	–	–	700,000	N/A
Other grantees – Employees									
In aggregate	Between July 3, 2017 and October 1, 2017	10 years from date of grant	US$0.0014	997,659	(63,000)	–	–	934,659	0.76
Total				**235,163,848**	**(63,000)**	**-**	**-**	**235,100,848**	

Note 1: Subsequent to December 31, 2024, Mr. Andy Xuan Zhang exercised (i) 168,464,000 options granted on July 3, 2017 and (ii) 65,002,189 options granted on October 1, 2017 to him under the Pre-IPO Share Option Scheme. Immediately upon the exercise of such options, there was no outstanding option granted to Mr. Andy Xuan Zhang under the Pre-IPO Share Option Scheme.

Details of the fair value of the options at the date of grant and the accounting standard and policy adopted are set out in Note 25(a) to the consolidated financial statements. Further details of the Pre-IPO Share Option Scheme are set out in the Prospectus and Note 25(a) to the consolidated financial statements.

SHARE INCENTIVE SCHEMES (CONTINUED)

2. First Share Award Scheme

The First Share Award Scheme, which was in effect during the Reporting Period, was adopted by written resolutions of the Shareholders on May 26, 2017, amended on September 1, 2017 and May 6, 2021 and effective from the Listing Date. Following the approval of the 2024 Share Scheme at the extraordinary general meeting of the Company on June 27, 2024 and the grant of the 2024 Share Scheme Listing Approval on July 9, 2024, the termination of the First Share Award Scheme would take effect.

Purpose

The purpose of the First Share Award Scheme is to align the interests of eligible participants with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible participants to make contributions to the long-term growth and profits of the Group.

Eligible participants

Any employee, Director (including executive Directors, non-executive Directors and independent non – executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate as the Board or its delegate(s) determine.

Awards

An award granted by the Board to eligible participants which may vest in the form of Shares or the actual selling price of the Shares in cash ("**First Award Shares**").

Granting of awards

The Board may, from time to time, grant awards to any eligible participant who the Board considers to have contributed or will contribute to the Group. For the avoidance of doubt, nil consideration is required to be paid by the eligible participants for the grant of awards under the First Share Award Scheme.

Each grant of an award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of the Company.

Maximum number of Shares available for grant

The aggregate number of Shares underlying all grants made pursuant to the First Share Award Scheme (excluding First Award Shares granted which have been forfeited in accordance with the First Share Award Scheme) will not exceed 285,250,982 Shares without further Shareholders' approval.

As at December 31, 2024, 341,217,576 First Award Shares had been granted or agreed to be granted under the First Share Award Scheme and the trustee has applied Shares held under the First Share Award Scheme which were unallocated or forfeited pursuant to the First Share Award Scheme to partly satisfy the awards granted.

SHARE INCENTIVE SCHEMES (CONTINUED)

2. First Share Award Scheme (Continued)

Vesting of awards

The Board or its delegate(s) may from time to time while the First Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the share awards to be vested. The share awards granted or agreed to be granted under the First Share Award Scheme as at December 31, 2024 would vest on specific dates, or in equal tranches from the date of grant over two to four years, on condition that the employees remain in service without any performance requirements.

To satisfy the awards, the Company shall (i) issue and allot Shares to the trustee under the specific mandate sought from Shareholders at general meeting and/or (ii) transfer to the trustee the necessary funds and instruct the trustee to acquire Shares through on-market transactions at the prevailing market price.

Details of the First Award Shares granted under the First Share Award Scheme and their movements during the Reporting Period are set out below:

		Number of Awards									
Name or category of grantee	Date of grant	Unvested as at January 1, 2024	Granted during the year	Vested during the year	Cancelled/ forfeited during the year	Lapsed during the year	Unvested as at December 31, 2024	Vesting date	Purchase price of share awards (HK$)	Closing price immediately before the date of grant (HK$)	Weighted average closing price immediately before the vesting date during the Reporting Period (HK$)
Other grantees – Employees											
In aggregate	27-May-21	550,000	–	(550,000)	–	–	–	31-Mar-24	–	2.52	0.66
In aggregate	14-Sep-21	6,740,928	–	(6,578,428)	–	(162,500)	–	31-Aug-24	–	1.69	0.74
	14-Sep-21	6,740,928	–	–	–	(265,000)	6,475,928	31-Aug-25	–	1.69	N/A
Sub-total		13,481,856	–	(6,578,428)	–	(427,500)	6,475,928				0.74

SHARE INCENTIVE SCHEMES (CONTINUED)

2. First Share Award Scheme (Continued)

Vesting of awards (Continued)

Name or category of grantee	Date of grant	Number of Awards: Unvested as at January 1, 2024	Granted during the year	Vested during the year	Cancelled/ forfeited during the year	Lapsed during the year	Unvested as at December 31, 2024	Vesting date	Purchase price of share awards (HK$)	Closing price immediately before the date of grant (HK$)	Weighted average closing price immediately before the vesting date during the year (HK$)
In aggregate	22-Dec-21	557,859	–	(557,859)	–	–	–	31-Aug-24	–	1.24	0.74
	22-Dec-21	557,860	–	–	–	(200,000)	357,860	31-Aug-25	–	1.24	N/A
Sub-total		1,115,719	–	(557,859)	–	(200,000)	357,860				0.74
In aggregate	19-Apr-22	835,000	–	(670,000)	–	(165,000)	–	31-Aug-24	–	0.82	0.74
	19-Apr-22	835,000	–	–	–	(205,000)	630,000	31-Aug-25	–	0.82	N/A
Sub-total		1,670,000	–	(670,000)	–	(370,000)	630,000				0.74
In aggregate	20-Sep-22	21,400,000	–	(21,400,000)	–	–	–	31-Mar-24	–	0.92	0.66
	20-Sep-22	1,777,500	–	(1,777,500)	–	–	–	31-Aug-24	–	0.92	0.74
	20-Sep-22	21,000,000	–	–	–	(500,000)	20,500,000	31-Mar-24	–	0.92	N/A
	20-Sep-22	827,500	–	–	–	–	827,500	31-Aug-25	–	0.92	N/A
Sub-total		45,005,000	–	(23,177,500)	–	(500,000)	21,327,500				0.67
In aggregate	14-Mar-23	1,100,000	–	(1,100,000)	–	–	–	31-Aug-24	–	1.10	0.74
	14-Mar-23	1,100,000	–	–	–	–	1,100,000	31-Aug-25	–	1.10	N/A
	14-Mar-23	1,100,000	–	–	–	–	1,100,000	31-Aug-26	–	1.10	N/A
Sub-total		3,300,000	–	(1,100,000)	–	–	2,200,000				0.74
In aggregate	9-May-24	–	520,000	–	(520,000)	–	–	31-Aug-24	–	0.68	N/A
	9-May-24	–	520,000	–	–	–	520,000	31-Aug-25	–	0.68	N/A
	9-May-24	–	520,000	–	–	–	520,000	31-Aug-26	–	0.68	N/A
	9-May-24		520,000				520,000	31-Aug-27		0.68	N/A
Sub-total			2,080,000		(520,000)		1,560,000				N/A
Total		**65,122,575**	**2,080,000**	**(32,633,787)**	**(520,000)**	**(1,497,500)**	**32,551,288**				**0.69**

SHARE INCENTIVE SCHEMES (CONTINUED)

2. First Share Award Scheme (Continued)

Maximum entitlement for each participant

Under the First Share Award Scheme, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant but unvested thereunder.

Remaining life of the First Share Award Scheme

The First Share Award Scheme was adopted by written resolutions of the Shareholders on May 26, 2017 and shall be valid and effective for 10 years. As at the date of this annual report, the First Share Award Scheme has been terminated in accordance with its terms.

Details of the fair value of the First Award Shares granted under the First Share Award Scheme at the date of grant and the accounting standard and policy adopted are set out in Note 25(b) to the consolidated financial statements.

Termination

The First Share Award Scheme shall terminate on the earlier of:

(a) the end of the period of ten years commencing on the earlier of the passing of a Shareholders' resolution approving the adoption of the First Share Award Scheme or the Listing Date except in respect of any non-vested First Award Shares granted hereunder prior to the expiration of the First Share Award Scheme, for the purpose of giving effect to the vesting of such First Award Shares or otherwise as may be required in accordance with the provisions of the First Share Award Scheme; and

(b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the First Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the First Award Shares already granted to a selected participant.

The Board determined that, conditional upon and with effect from the 2024 Share Scheme taking effect on July 9, 2024, the First Share Award Scheme was terminated. After the termination of the First Share Award Scheme, no further awards may be granted thereunder, while the awards already granted before the termination shall remain valid and continue to vest in accordance with the rules of the First Share Award Scheme and the relevant award agreement.

Further details of the First Share Award Scheme are set out in the Prospectus, the circular of the Company dated June 11, 2024 and Note 25(b) to the consolidated financial statements.

3. Second Share Award Scheme

The Second Share Award Scheme was adopted by written resolutions of all the Shareholders on September 1, 2017 and effective from the Listing Date.

Purpose

The purpose of the Second Share Award Scheme is to align the interests of eligible participants with those of the Group through ownership of Shares, dividends and other distributions paid on Shares and/or the increase in value of the Shares, and to encourage and retain eligible participants to make contributions to the long – term growth and profits of the Group.

SHARE INCENTIVE SCHEMES (CONTINUED)

3. Second Share Award Scheme (Continued)

Eligible participants

Any employee, director (including executive Directors, non-executive Directors and independent non-executive Directors), officer, consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Group or any affiliate as the Board or its delegate(s) determine.

Awards

An award granted by the Board to eligible participants which may vest in the form of Shares or the actual selling price of the Shares in cash ("**Second Award Shares**").

Granting of awards

The Board may, from time to time, grant awards to any eligible participant who the Board considers to have contributed or will contribute to the Group. For the avoidance of doubt, nil consideration is required to be paid by the eligible participants for the grant of awards under the Second Share Award Scheme.

Each grant of an award to any Director or the chairman of the Company shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an award). The Company will comply with the relevant requirements under Chapter 14A of the Listing Rules for any grant of Shares to connected persons of the Company.

To satisfy the awards, the Company may transfer to the trustee the necessary funds and instruct the trustee to acquire Shares through on-market transactions at the prevailing market price.

Maximum number of Shares available for grant

The aggregate number of Shares underlying all grants made pursuant to the Second Share Award Scheme (excluding Second Award Shares which have been forfeited in accordance with the Second Share Award Scheme) will not exceed 5% of the total number of issued Shares without Shareholders' approval, subject to an annual limit of 3% of the total number of issued Shares at the relevant time.

As at December 31, 2024, 87,976,956 Second Award Shares had been granted or agreed to be granted under the Second Share Award Scheme.

Vesting of awards

The Board or its delegate(s) may from time to time while the Second Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the share awards to be vested. The share awards granted or agreed to be granted under the Second Share Award Scheme as at December 31, 2024 would vest on specific dates, or in equal tranches from the date of grant over two to four years, on condition that the employees remain in service without any performance requirements.

SHARE INCENTIVE SCHEMES (CONTINUED)

3. Second Share Award Scheme (Continued)

Vesting of awards (Continued)

Details of the Second Award Shares granted under the Second Share Award Scheme and their movements during the Reporting Period are set out below:

		Number of Awards								
Name or category of grantee	Date of grant	Unvested as at January 1, 2024	Granted during the year	Vested during the year	Cancelled/ forfeited during the year	Lapsed during the year	Unvested as at December 31, 2024	Vesting date	Purchase price of share awards (HK$)	Weighted average closing price immediately before the vesting date during the Reporting Period (HK$)
Directors										
Mr. Dong Jiang	20-Sep-22	5,000,000	–	(5,000,000)	–	–	–	31-Mar-24	–	0.66
	20-Sep-22	5,000,000	–	–	–	–	5,000,000	31-Mar-25	–	N/A
Sub-total		10,000,000	–	(5,000,000)	–	–	5,000,000			0.66
Other grantees – Employees										
In aggregate	14-Sep-21	445,000	–	(445,000)	–	–	–	31-Aug-24	1.69	0.74
	14-Sep-21	445,000	–	–	–	–	445,000	31-Aug-25	1.69	N/A
	22-Dec-21	1,000,000	–	(1,000,000)	–	–	–	31-Aug-24	1.24	0.74
	22-Dec-21	1,000,000	–	–	–	–	1,000,000	31-Aug-25	1.24	N/A
	20-Sep-22	4,500,000	–	(4,500,000)	–	–	–	31-Mar-24	0.92	0.66
	20-Sep-22	4,500,000	–	–	–	–	4,500,000	31-Mar-25	0.92	N/A
Sub-total		11,890,000	–	(5,945,000)	–	–	5,945,000			0.68
Total		**21,890,000**	**-**	**(10,945,000)**	**-**	**-**	**10,945,000**			**0.67**

There were no grants made under the Second Share Award Scheme during the Reporting Period.

SHARE INCENTIVE SCHEMES (CONTINUED)

3. Second Share Award Scheme (Continued)

Maximum entitlement for each participant

Under the Second Share Award Scheme, there is no specific limit on the maximum number of Shares which may be granted to a single eligible participant but unvested thereunder.

Remaining life of the Second Share Award Scheme

The Second Share Award Scheme was adopted by written resolutions of the Shareholders on September 1, 2017 and shall be valid and effective for 10 years. As at the date of this annual report, the remaining life of the Second Share Award Scheme is less than 4 years unless terminated earlier in accordance with its terms.

Termination

The Second Share Award Scheme shall terminate on the earlier of:

(a) the end of the period of ten years commencing on the earlier of the passing of a Shareholders' resolution approving the adoption of the Second Share Award Scheme or the Listing Date except in respect of any non-vested Second Award Shares granted hereunder prior to the expiration of the Second Share Award Scheme, for the purpose of giving effect to the vesting of such Second Award Shares or otherwise as may be required in accordance with the provisions of the Second Share Award Scheme; and

(b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any selected participant under the rules of the Second Share Award Scheme, provided further that for the avoidance of doubt, the change in the subsisting rights of a selected participant in this paragraph refers solely to any change in the rights in respect of the Second Award Shares already granted to a selected participant.

Details of the fair value of the Second Award Shares granted under the Second Share Award Scheme at the date of grant and the accounting standard and policy adopted are set out in Note 25(b) to the consolidated financial statements.

Further details of the Second Share Award Scheme are set out in the Prospectus and Note 25(b) to the consolidated financial statements.

SHARE INCENTIVE SCHEMES (CONTINUED)

4. 2024 Share Scheme

The Company has adopted the 2024 Share Scheme pursuant to an ordinary resolution passed by the Shareholders at the extraordinary general meeting of the Company. The 2024 Share Scheme allows the Company to broaden the types of equity incentives it can utilize by allowing the grant of both share awards and share options.

Purpose

The purpose of the 2024 Share Scheme is (i) to provide the Company with flexible means of remunerating, incentivizing, retaining, rewarding, compensating and/or providing benefits to eligible participants; (ii) to align the interests of eligible participants with those of the Company and Shareholders by providing such eligible participants with the opportunity to acquire shareholding interests in the Company; and (iii) to encourage eligible participants to contribute to the long-term growth and profitability of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

Awards

An award (the "**Award**") may take the form of a share award or a share option, which shall be funded by award shares.

Eligible Participants

Eligible participants under the 2024 Share Scheme shall include: (i) employee participants, namely, any person who is an employee (whether full-time or part-time), director or officer of any member of the Group, including persons who are granted Awards under the 2024 Share Scheme as an inducement to enter into employment contracts with any member of the Group; provided that a person shall not cease to be an employee in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) any transfer of employment among members of the Group or any successor, and provided further that a person shall, for the avoidance of doubt, cease to be an employee with effect from (and including) the date of termination of his/her employment; and (ii) related entity participants, namely, any person who is an employee (whether full-time or part-time), director or officer of (a) a holding company of the Company, (b) subsidiaries of the holding company other than members of the Group, or (c) an associated company of the Company.

Maximum number of Shares

The scheme mandate limit, namely, the total number of Award shares which may be issued pursuant to all Awards to be granted under the 2024 Share Scheme together with the number of Shares which may be issued pursuant to all options and awards to be granted under any other share schemes of the Company, shall initially be the number of Shares representing 10% of the total issued Shares (excluding any treasury Shares) as at the date on which the 2024 Share Scheme is first adopted by the Shareholders, being 652,406,551 Shares.

SHARE INCENTIVE SCHEMES (CONTINUED)

4. 2024 Share Scheme (Continued)

Maximum entitlement for each participant

There is no specific maximum entitlement for each eligible participant under the 2024 Share Scheme. Unless approved by the Shareholders in the manner set out in the rules relating to the 2024 Share Scheme, the total number of Shares issued and to be issued upon exercise of Awards granted and to be granted under the 2024 Share Scheme and any other share schemes of the Company to each eligible participant (including both exercised and outstanding share options) in any 12-month period shall not exceed 1% of the total number of Shares in issue (excluding any treasury Shares). Any grant of Awards to any Director, chief executive or Substantial Shareholder, or any of their respective associates, shall be subject to the prior approval of the Remuneration Committee (excluding any proposed recipient of the grant) and the independent non-executive Directors of the Company (excluding any proposed recipient of the grant).

Remaining life of the 2024 Share Scheme

The term of the 2024 Share Scheme is 10 years commencing on the date on which the 2024 Share Scheme is approved by the Shareholders and up to June 26, 2034, unless terminated earlier. The remaining life of the 2024 Share Scheme is approximately over 9 years.

Granting of share awards and share options

An Award granted under the 2024 Share Scheme may take the form of a share award or a share option, which shall be funded by new Shares (including treasury Shares) underlying such award.

Exercise period

Subject to the vesting of the share options, the exercise period for share options shall not be longer than 10 years from the grant date. A share option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary from the grant date.

Vesting period

The vesting date in respect of any Award shall be not less than 12 months from the grant date. The consideration for the grant of share options is nil.

Issue price and exercise price

The issue price for Awards which take the form of share awards shall be such price determined by the scheme administrator and notified to the grantee in the Award letter. For the avoidance of doubt, the scheme administrator may determine the issue price to be at nil consideration. The scheme administrator shall determine the exercise price for such share options in which it shall in any event be no less than the higher of: (i) the closing price of the shares as stated in the daily quotations sheet issued by the Stock Exchange on the grant date; and (ii) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the grant date.

Acceptance

The scheme administrator may determine the amount (if any) payable on application or acceptance of an Award and the period within which any such payments must be made, which amounts (if any) and periods shall be set out in the Award letter. Unless otherwise specified in the Award letter, the grantee shall have 20 business days from the grant date to accept the Award, following which, the portion not accepted by the grantee shall automatically lapse.

Termination

The 2024 Share Scheme shall terminate on the earlier of (a) the 10th anniversary of the date on which the 2024 Share Scheme is approved by the Shareholders; and (b) such date of early termination as determined by the Board, provided that notwithstanding such termination, the 2024 Share Scheme and the scheme rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted prior to the termination of the 2024 Share Scheme and such termination shall not affect any subsisting rights already granted to any grantee thereunder.

SHARE INCENTIVE SCHEMES (CONTINUED)

4. 2024 Share Scheme (Continued)

Details of the share options granted under the 2024 Share Scheme and their movements during the Reporting Period are as follows:

Name or category of option holders	Date of conditional grant	Exercise period	Exercise price (HK$)	Number of options: Granted during the Reporting Period	Number of options: Exercised during the Reporting Period	Number of options: Cancelled during the Reporting Period	Number of options: Lapsed during the Reporting Period	Number of options: Outstanding as at December 31, 2024	Closing price immediately before the date of conditional grant (HK$)	Weighted average closing price immediately before the exercise date during the Reporting Period (HK$)
Directors										
Mr. Andy Xuan Zhang	May 9, 2024	7 years from the date of the conditional grant	0.70	117,000,000[(1) and (2)]	–	–	–	117,000,000	0.68	N/A
Mr. Dong Jiang	May 9, 2024	10 years from the date of the conditional grant	0.70	10,000,000[(1)]	–	–	–	10,000,000	0.68	N/A
Sub-total				127,000,000	–	–	–	127,000,000		N/A
Other Employee Participants										
In aggregate	May 9, 2024	10 years from the date of the conditional grant	0.70	123,000,000[(1)]	–	–	–	123,000,000	0.68	N/A
Total				**250,000,000**	**-**	**-**	**-**	**250,000,000**		**N/A**

Note 1: On May 9, 2024, conditional upon the 2024 Share Scheme taking effect, the Company proposed to grant: (a) a total of 117,000,000 share options under the 2024 Share Scheme to Mr. Andy Xuan Zhang, which was also conditional upon the approval of Shareholders; (b) a total of 10,000,000 share options under the 2024 Share Scheme to Mr. Dong Jiang; and (c) a total of 123,000,000 share options under the 2024 Share Scheme to the employee participants. Following the approval of the 2024 Share Scheme at the extraordinary general meeting of the Company on June 27, 2024, the Listing Committee granted approval for the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to share options or awards granted under the 2024 Share Scheme on July 9, 2024.

Note 2: Following the Director Conditional Grant to Mr. Zhang, the Shares issued and to be issued in respect of all options and awards granted to Mr. Andy Xuan Zhang (excluding any options and awards lapsed in accordance with the applicable share scheme) in the 12-month period up to and including the date of such grant exceeded the 1% individual limit under Rule 17.03D(1) of the Listing Rules. The Director Conditional Grant to Mr. Zhang was approved by the Shareholders at the extraordinary general meeting of the Company on June 27, 2024.

No share awards were granted under the 2024 Share Scheme during the Reporting Period. Details of the fair value of the options granted under the 2024 Share Scheme at the date of grant and the accounting standard and policy adopted are set out in Note 25(a) to the consolidated financial statements.

Further details of the 2024 Share Scheme are set out in the circular of the Company dated June 11, 2024.

SHARE INCENTIVE SCHEMES (CONTINUED)

5. Additional Information of the Share Schemes

On the one hand, the grant of awards under the First Share Award Scheme may be satisfied by either new Shares or existing Shares, and the grant of awards (whether in the form of share awards or share options) under the 2024 Share Scheme may be satisfied by new Shares (including treasury Shares). On the other hand, the grant of awards under the Second Share Award Scheme may only be satisfied by existing Shares.

As of January 1, 2024, the First Share Award Scheme was the share scheme of the Company involving the issue of new Shares. Following the approval of the 2024 Share Scheme at the extraordinary general meeting of the Company on June 27, 2024, and the 2024 Share Scheme Listing Approval, the First Share Award Scheme has been terminated and the 2024 Share Scheme has taken effect. As a result, the 2024 Share Scheme has become the current share scheme of the Company involving the issue of new Shares. After the termination of the First Share Award Scheme, no further awards may be granted thereunder, while the awards already granted before the termination shall remain valid and continue to vest in accordance with the rules of the First Share Award Scheme and the relevant award agreement.

In respect of the First Share Award Scheme and the 2024 Share Scheme, the number of options and awards available for grant under the scheme mandate of the Company was 70,518,798 Shares as of January 1, 2024 and 402,406,551 Shares as of December 31, 2024.

The number of Shares that may be issued in respect of options and awards granted under the 2024 Share Scheme during the Reporting Period divided by the weighted average number of the Shares in issue (excluding any treasury Shares) for the Reporting Period is approximately 3.86%.

As of January 1, 2024, 49,270,685 new Shares were available for issue under the scheme mandate of the First Share Award Scheme. As of December 31, 2024, 652,406,551 new Shares were available for issue under the scheme mandate of the 2024 Share Scheme. As of February 27, 2025 (the date of this annual report), 652,406,551 new Shares were available for issue under the scheme mandate of the 2024 Share Scheme, representing approximately 9.65% of the issued Shares (excluding treasury Shares, if any) as of February 27, 2025.

EQUITY-LINKED AGREEMENTS

Save as disclosed in the section headed "Share Incentive Schemes", no equity-linked agreement was entered into by the Group, or existed during the Reporting Period.

DIRECTORS

The Directors who held office during the year ended December 31, 2024 and up to the date of this annual report are:

Executive Directors:

Mr. Andy Xuan Zhang *(Chairman and Chief Executive Officer)*
Mr. Rodney Ling Kay Tsang *(Vice Chairman) (appointed on February 27, 2025)*
Mr. Dong Jiang *(Joint President)*

Non-executive Directors:

Mr. Qing Hua Xie
Ms. Amanda Chi Yan Chau
Mr. Qin Miao *(resigned on January 13, 2025)*

Independent Non-executive Directors:

Mr. Tin Fan Yuen
Mr. Chester Tun Ho Kwok
Ms. Lily Li Dong
Mr. Henry Chi Hung Yim *(appointed on February 27, 2025)*

Pursuant to paragraph 4(2) of Appendix A1 to the Listing Rules and Article 16.2 of the Articles of Association, any Director so appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election at that meeting. Mr. Rodney Ling Kay Tsang and Mr. Henry Chi Hung Yim, who were appointed as an executive Director and an independent non-executive Director, respectively, on February 27, 2025, shall hold office until the first general meeting of the Company following their appointments, i.e. the Annual General Meeting and, being eligible, will offer themselves for re-election at the Annual General Meeting.

Pursuant to Article 16.19 of the Articles of Association, one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company and will be eligible for re-election at that meeting. Every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Accordingly, Mr. Qing Hua Xie, Ms. Amanda Chi Yan Chau, Mr. Chester Tun Ho Kwok and Ms. Lily Li Dong shall retire by rotation at the Annual General Meeting and, all being eligible, offer themselves for re-election, except Mr. Qing Hua Xie and Ms. Amanda Chi Yan Chau who will not opt for re-election due to their other business commitments which require more of their dedication.

BOARD OF DIRECTORS

Biographical details of the Directors are set out in the section headed "Directors and Senior Management" of this annual report.

DIRECTORS' SERVICE CONTRACTS

None of the Directors proposed for re-election at the Annual General Meeting has a service contract with any member of the Group that is not determinable by the Group within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

Save as disclosed in the sections headed "Connected Transactions" and "Continuing Connected Transactions" below and Note 34 to the consolidated financial statements of the Group, neither the Directors nor any entity connected with the Directors had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party subsisting during or at the end of the year ended December 31, 2024.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which he/she may incur or sustain by the execution of he/she duty in their offices or otherwise in relation thereto. A permitted indemnity provision as required by the Hong Kong Companies Ordinance is currently in force and was in force for the benefit of the Directors throughout the year ended December 31, 2024.

The Company has arranged appropriate insurance cover for the Directors in connection with the discharge of their responsibilities.

MANAGEMENT CONTRACTS

Save for service contracts of the Directors, no contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into by the Company or existed during the Reporting Period.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in this annual report regarding the Pre-IPO Share Option Scheme, the First Share Award Scheme, the Second Share Award Scheme and the 2024 Share Scheme, at no time during the Reporting Period was the Company or its holding company of any of its subsidiaries or fellow subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate; and none of the Directors, or any of their spouse or children under the age of 18, had any right to subscribe for equity or debt securities of the Company or any other body corporate, or had exercised any such right.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS

As at December 31, 2024, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations within the meaning of Part XV of the SFO, which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

(i) Interests in the underlying Shares

	Number of Shares			
Name of Director	**Personal interest**	**Number of underlying Shares interested[3]**	**Total interests**	**Approximate percentage of issued Shares[4]**
Mr. Andy Xuan Zhang	–[1]	350,466,189(L)[1]	350,466,189	5.37%
Mr. Dong Jiang	28,657,810(L)	15,000,000(L)[2]	43,657,810	0.67%

Notes:

(1) Mr. Andy Xuan Zhang's entitlement to receive up to 233,466,189 Shares pursuant to the exercise of options granted to him under the Pre-IPO Share Option Scheme, and 117,000,000 Shares pursuant to the exercise of options granted to him under the 2024 Share Scheme, subject to the conditions (including vesting conditions) of those options. Subsequent to December 31, 2024, Mr. Andy Xuan Zhang exercised all options granted to him under the Pre-IPO Share Option Scheme. Immediately upon the exercise of such options, Mr. Andy Xuan Zhang had personal interest in 233,466,189 Shares and continued to be entitled to receive up to 117,000,000 Shares pursuant to the exercise of options granted to him under the 2024 Share Scheme.

(2) Such interest represents the 5,000,000 award Shares granted to Mr. Dong Jiang under the Second Share Award Scheme and 10,000,000 Shares pursuant to the exercise of options granted to Mr. Dong Jiang under the 2024 Share Scheme, subject to the conditions (including vesting conditions) of those options.

(3) The letter "L" denotes long position in such underlying Shares.

(4) The percentages are calculated on the basis of 6,524,128,512 Shares in issue as at December 31, 2024.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ITS ASSOCIATED CORPORATIONS (CONTINUED)

(ii) Interests in the underlying shares of associated corporations of the Company

	Number of ordinary shares in Yiche Holding				
Name of Director	Beneficiary of a trust (other than a discretionary interest)	Personal interest	Number of underlying shares interested[3]	Total interests	Approximate percentage of issued shares[4]
Mr. Andy Xuan Zhang	–	–	1,680,000(L)[1]	1,680,000	2.24%
			2,950,000(L)[2]	2,950,000	3.93%

Notes:

(1) Mr. Andy Xuan Zhang's entitlement to shares related to outstanding restricted stock units granted under Yiche Holding's employee incentive plan.

(2) Mr. Andy Xuan Zhang's entitlement to shares related to outstanding options granted under Yiche Holding's employee incentive plan.

(3) The letter "L" denotes long position in such underlying shares.

(4) The percentage is calculated on the basis of 75,158,453 ordinary shares of Yiche Holding in issue as at December 31, 2024.

Save as disclosed above, as at December 31, 2024, so far as was known to the Directors and chief executive of the Company, none of the Directors or chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or its associated corporations which were required to be (a) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to be interested under such provisions of the SFO); or (b) recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO; or (c) notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at December 31, 2024, so far as was known to the Directors or chief executive of the Company, the following persons (other than the Directors and chief executive of the Company) had interests and/or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO:

Name of substantial shareholder	Nature of interest	Number of Shares interested(5)	Approximate percentage of issued Shares(6)
Tencent Mobility Limited(1)	Beneficial owner	489,922,607(L)	7.51%
THL H Limited(1)	Beneficial owner	931,604,940(L)	14.28%
Morespark(1)	Beneficial owner	2,093,833,612(L)	32.09%
	Beneficial owner	21,106,272(S)	0.32%
Tencent(1)	Interest of controlled corporation	3,515,361,159 (L)	53.88%
	Interest of controlled corporation	21,106,272(S)	0.32%
Prosper Rich Investments Limited(2)	Beneficial owner	563,110,921(L)	8.63%
Leung Lisa(2)	Interest of controlled corporation	563,110,921(L)	8.63%
Hammer Capital Holdco 1 Limited(3)	Beneficial owner	422,125,440(L)	6.47%
Hammer Capital(3)	Interest of controlled corporation	516,393,344(L)	7.92%
Hammer Capital Asset Management Limited(3)	Investment manager	516,393,344(L)	7.92%
Hammer Capital Partners Ltd.(3)	Interest of controlled corporation	516,393,344(L)	7.92%
Hammer Capital Opportunities General Partner(3)	Interest of controlled corporation	516,393,344(L)	7.92%
Silver Oryx Limited(3)	Interest of controlled corporation	516,393,344(L)	7.92%
Avantua Group Limited(3)	Interest of controlled corporation	516,393,344(L)	7.92%
Go Winner Investments Limited(3)	Interest of controlled corporation	516,393,344(L)	7.92%
Woodbury Capital Management Limited(3)	Interest of controlled corporation	516,393,344(L)	7.92%
Cheng Chi Kong(3)	Interest of controlled corporation	516,393,344(L)	7.92%
Cheung Siu Fai(3)	Interest of controlled corporation	520,174,844(L)	7.97%
Tsang Ling Kay Rodney(3), (4)	Beneficial owner	113,871,952(L)	1.75%
	Interest of controlled corporation	581,819,092(L)	8.92%

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY (CONTINUED)

Notes:

(1) Tencent Mobility Limited which holds 489,922,607 Shares, THL H Limited which holds 931,604,940 Shares, and Morespark which holds 2,093,833,612 Shares in long position and 21,106,272 Shares in short position, are wholly-owned subsidiaries of Tencent. Accordingly, Tencent is deemed to be interested in the same number of Shares in which Tencent Mobility Limited, THL H Limited and Morespark are interested under the SFO. Tencent had granted a voting proxy to Proudview Limited in relation to 573,885,842 Shares, representing approximately 8.80% of the issued share capital of the Company as at December 31, 2024. Subsequently, pursuant to a voting agreement dated March 1, 2025 (the "**Voting Agreement**"), the voting proxy for the aforementioned 573,885,842 Shares previously granted by Tencent to Proudview Limited has been granted to HCM IV Limited.

(2) Prosper Rich Investments Limited, which held 563,110,921 Shares, was wholly-owned by Leung Lisa. Accordingly, Leung Lisa was deemed to be interested in the same number of Shares in which Prosper Rich Investments Limited is interested under the SFO.

(3) Hammer Capital Holdco 1 Limited which holds 422,125,440 Shares and Hammer Capital Offerco 1 Limited which holds 94,267,904 Shares are wholly-owned subsidiaries of Hammer Capital. Accordingly, Hammer Capital is deemed to be interested in the same number of Shares in which Hammer Capital Holdco 1 Limited and Hammer Capital Offerco 1 Limited are interested under the SFO.

(a) Silver Oryx Limited, being the sole limited partner of Hammer Capital, is wholly-owned by Splendid Sun LLC. Splendid Sun LLC is wholly-owned by Avantua Group Limited (formerly known as Avantua Investments Limited). Avantua Group Limited is wholly-owned by Ace Trend Investment Limited. Ace Trend Investment Limited is owned as to 70% by Go Winner Investments Limited, which in turn is wholly-owned by Woodbury Capital Management Limited, and Woodbury Capital Management Limited is wholly-owned by Cheng Chi Kong.

(b) (i) Hammer Capital Asset Management Limited, being the investment manager of Hammer Capital, is wholly-owned by Hammer Capital Partners Ltd. Hammer Capital Partners Ltd. is owned by each of Cheung Siu Fai and Tsang Ling Kay Rodney as to 50%; (ii) Hammer Capital Opportunities General Partner, being general partner of Hammer Capital, is wholly-owned by Tsang Ling Kay Rodney.

Accordingly, each of Hammer Capital's general partners, controlling corporations and controlling persons is deemed to be interested in the same number of Shares in which Hammer Capital is interested under the SFO.

(4) Hammer Capital Management Limited held directly and indirectly (through its wholly-owned subsidiary HCM IV Limited) 65,425,748 Shares in total. Hammer Capital Management Limited is wholly-owned by Tsang Ling Kay Rodney. Accordingly, Tsang Ling Kay Rodney is deemed to be interested in the same number of Shares in which Hammer Capital Management Limited is interested under the SFO. Subsequent to December 31, 2024, pursuant to the Voting Agreement, Tsang Ling Kay Rodney, through HCM IV Limited, has become entitled to the votes attached to the subject Shares (i.e. 573,885,842 Shares) under the Voting Agreement. Accordingly, as at March 1, 2025, Tsang Ling Kay Rodney, through HCM IV Limited, is deemed to be interested in such Shares under the SFO and has become interested in 1,269,576,886 Shares in total, representing approximately 18.79% of the total issued share capital of the Company as at March 1, 2025.

(5) The letters "L" and "S" denote the substantial shareholder's long position and short position in such Shares, respectively.

(6) Unless otherwise stated, the percentages are calculated on the basis of 6,524,128,512 Shares in issue as at December 31, 2024.

(7) Save as disclosed in the section headed "Directors and Senior Management" of this annual report, as at the date of this annual report, none of the Directors was a director or employee of a company which had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Certain numbers and percentage figures included in the table above have been subject to rounding adjustments. Any discrepancies in the table between totals and sums of amounts listed therein are due to rounding.

Save as disclosed above, as at December 31, 2024, the Directors have not been notified by any person (other than the Directors or chief executive of the Company) who had interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company pursuant to Divisions 2 and 3 of Part XV of the SFO, or as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Articles of Association or the Cayman Companies Law which would oblige the Company to offer new Shares on a pro-rata basis to the existing Shareholders.

TAX RELIEF AND EXEMPTION

The Directors are not aware of any tax relief and exemption available to the Shareholders by reason of their holding of the Company's securities.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

Save and except for the interests of our Controlling Shareholders in the Company, during the year ended December 31, 2024, neither our Controlling Shareholders nor any of our Directors had any interest in a business, apart from the business of our Group, which competes or is likely to compete, directly or indirectly, with our business, which would require disclosure under Rule 8.10 of the Listing Rules.

The Directors are fully aware of, and have been discharging, their fiduciary duty to the Company. The Company and the Directors would comply with the relevant requirements of the Articles of Association and the Listing Rules whenever a Director has any conflict of interest in the transaction(s) with the Company.

CONTRACTS WITH CONTROLLING SHAREHOLDERS

Save as disclosed in the sections headed "Connected Transactions" and "Continuing Connected Transactions" below and Note 33 to the consolidated financial statements in relation to the related party transactions of the Group during the Reporting Period, no contract of significance, or contract of significance for the provision of services, between the Company or any of its subsidiaries or the Consolidated Affiliated Entity and the Controlling Shareholders or any of their subsidiaries has been entered into during the Reporting Period or subsisted as at the end of the Reporting Period.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance through its continuous effort in improving its corporate governance practices. Details about the corporate governance practices adopted by the Company are set out in the "Corporate Governance Report" contained in this annual report.

CONNECTED TRANSACTIONS

During the Reporting Period, the Group engaged in certain transactions with the following persons (and/or their respective associates as defined under Rules 14A.07, 14A.12 and 14A.13 as appropriate) that constituted connected transactions under the Listing Rules.

- Bitauto is considered a "connected person" under the Listing Rules by virtue of it being an associate of Tencent, being a Controlling Shareholder. Bitauto was the Controlling Shareholder until March 5, 2021. Any transactions between the Company and Bitauto and/or its associates are considered as connected transactions pursuant to Rule 14A.25.

- Tencent is considered a "connected person" under the Listing Rules by virtue of it being the Controlling Shareholder. Any transactions between the Company and Tencent and/or its associates are considered as connected transactions pursuant to Rule 14A.25.

- JD.com was considered a "connected person" under the Listing Rules by virtue of it being a Substantial Shareholder until November 18, 2024. Any transactions between the Company and JD.com and/or its associates no longer constituted connected transactions with effect from the same date pursuant to Rule 14A.25.

CONTINUING CONNECTED TRANSACTIONS

We set out below a summary of the continuing connected transactions for our Group during the Reporting Period, which are subject to the reporting, annual review and announcements but are exempt from independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

1. Used auto services agreements with Beijing Jingzhengu Information Technology Co., Ltd. (北京精真估信息技術有限公司) ("Jingzhengu")

On July 31, 2017, Shanghai Yixin, Beijing Xulu, Beijing KKC and Jingzhengu (an associate of Bitauto) entered into a used auto valuation and inspection services strategic cooperation agreement ("**Used Auto Services Strategic Cooperation Agreement**") whereby Jingzhengu provides (i) onsite and online used car valuation and used car inspection services for the used cars financed or facilitated by us for a fixed fee per car, and (ii) a free portal on our website taoche.com that our consumers can use to compute or solicit a quotation for the value of a vehicle. The term of the Used Auto Services Strategic Cooperation Agreement commenced on the date of the agreement and expired on December 31, 2019. On December 12, 2019, the Company (through Beijing Xulu) renewed the Used Auto Services Strategic Cooperation Agreement by entering into the 2020-2022 Used Auto Services Strategic Cooperation Agreement ("**2020-2022 Used Auto Services Strategic Cooperation Agreement**") for three years with the expiration date on December 31, 2022. On December 19, 2022, the Company (through Shanghai Yixin) renewed the above 2020-2022 agreement by entering into the renewed Used Auto Services Strategic Cooperation Agreement ("**Renewed Used Auto Services Strategic Cooperation Agreement**") with Jingzhengu (a subsidiary of Tencent). The term of the Renewed Used Auto Services Strategic Cooperation Agreement is for three years and commenced on January 1, 2023. Aside from the new annual caps described below, the terms of the Renewed Used Auto Services Strategic Cooperation Agreement (including the pricing policy) are substantially the same as those of the 2020-2022 Used Auto Services Strategic Cooperation Agreement.

Jingzhengu provides services to the Group in relation to our used auto business, including onsite and online valuation and inspection. We require inspection services in order to meet our customers' demand for used automobile inspection services, as well as valuation services for the majority of used automobiles we finance as part of our risk management process and in order to accurately value our cars when they are leased to our customers.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

1. Used auto services agreements with Beijing Jingzhengu Information Technology Co., Ltd. (北京精真估信息技術有限公司) ("Jingzhengu") (Continued)

The fees payable by us to Jingzhengu outlined above has been determined based on arm's length discussions and by reference to rates charged by other independent third party service providers for comparable services. The service fee and calculation method were agreed between the parties based on the specific type and usage of the services in each transaction.

The annual caps for the Renewed Used Auto Services Strategic Cooperation Agreement for the year ended December 31, 2024 and the year ending December 31, 2025 are RMB45,000,000 and RMB50,000,000 respectively. The aggregate fees paid by the Group for the year ended December 31, 2024 amounted to approximately RMB23,978,000.

Further details of the Renewed Used Auto Services Strategic Cooperation Agreement are set out in the announcement of the Company dated December 19, 2022.

2. Payment Services Framework Agreement with Tenpay Payment Technology Co., Ltd.* (財付通支付科技有限公司) ("Tenpay")

Reference is made to the Prospectus and the announcement of the Company dated September 12, 2019 in relation to the payment related services provided by certain associates of Tencent to members of the Group since July 2017 and the existing payment services framework agreement (the "**Existing Payment Services Framework Agreement**") entered into between Shanghai Yixin and Tenpay (a subsidiary of Tencent) on September 12, 2019. The Company expected to continue the payment related services provided by certain associates of Tencent after December 31, 2021 and renewed the Existing Payment Services Framework Agreement by entering into (through Shanghai Yixin) the payment services framework agreement (the "**Payment Services Framework Agreement**") on December 30, 2021 for a term of three years effective from January 1, 2022. Aside from the new annual caps, the terms of the Payment Services Framework Agreement (including the pricing policy) are substantially the same as those of the Existing Payment Services Framework Agreement.

Tenpay provides certain payment related services to the Group including but not limited to payment channel services for customers of the Group, such as Weixin Pay (微信支付). In exchange, the Group pays a handling fee to Tenpay. The handling fee payable by the Group was determined after arm's length negotiation between the parties and with reference to the market rates for payment services of a similar nature with regard to the number of customers and amounts paid. The handling fee is calculated as a percentage of the amount paid by customers using the specific payment services. The aforementioned percentage shall be determined based on the official price lists or business policies issued by Tenpay from time to time that are applicable to all of its other independent third party customers. The handling fee will be settled by making real-time deduction from the payments made by customers of the Group.

The annual cap for and the aggregate fees paid by the Group pursuant to the Payment Services Framework Agreement for the year ended December 31, 2024 is RMB25,000,000 and amounted to approximately RMB2,650,000, respectively.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

2. Payment Services Framework Agreement with Tenpay Payment Technology Co., Ltd.* (財付通支付科技有限公司) ("Tenpay") (Continued)

Weixin Pay (微信支付) is gaining popularity among Chinese internet users in recent years and has become a leading mobile payment platform in China. In view of the increasing usage of Weixin Pay (微信支付) by our customers, there is a strong business need to continue the long-term cooperation with and benefit from the specific payment services provided by Tencent, set the annual caps which better reflect the current expectation and trend for the increased popularity of such payment channel services, and for better governing of the conduct of the continuing connected transaction.

Further details of the Payment Services Framework Agreement are set out in the announcement of the Company dated December 30, 2021.

3. Advertising Framework Agreement with Beijing Bitauto Interactive

On December 12, 2019, Beijing Xulu entered into the advertising framework agreement (the "**Advertising Framework Agreement**") with Beijing Bitauto Interactive (an associate of Bitauto), pursuant to which Beijing Bitauto Interactive or its affiliated companies shall provide certain services to the Group including but not limited to brand, product and website promotion on online and offline platforms which Beijing Bitauto Interactive or its affiliated companies operates, controls or cooperates with. In exchange, the Group shall pay Beijing Bitauto Interactive or its affiliated companies a fee. The term of the Advertising Framework Agreement is for three years and commenced on January 1, 2020. On December 16, 2022, the Company, through Xinjiang Wanhong, renewed the above agreement by entering into the renewed Advertising Framework Agreement ("**Renewed Advertising Framework Agreement**") with Beijing Bitauto Interactive (a subsidiary of Tencent). The term of the Renewed Advertising Framework Agreement is for three years and commenced on January 1, 2023. Aside from the new annual caps described below, the terms of the Renewed Advertising Framework Agreement (including the pricing policy) are substantially the same as those of the Advertising Framework Agreement.

The fee payable by the Group under the Renewed Advertising Framework Agreement was determined after arm's length negotiation between the parties and with reference to the market rates for advertising services of comparable specifications, for a similar number of days, time and format of advertisement. The terms were no less favourable to the Company than those which could be obtained from independent third party suppliers. With regard to advertising services, the service fees are calculated based on the cost per click, the cost per reach, the cost per download, the cost for the duration of advertising, the cost per sales made from the advertising, the complexity of the advertisement and the distribution means of the advertisement.

The annual caps for the Renewed Advertising Framework Agreement for the year ended December 31, 2024 and the year ending December 31, 2025 are RMB105,000,000 and RMB110,000,000 respectively. The aggregate fee paid by the Group pursuant to the Renewed Advertising Framework Agreement for the year ended December 31, 2024 amounted to approximately RMB46,000.

By entering into the Renewed Advertising Framework Agreement, the Group can utilise the leading automobile promotion platform of Beijing Bitauto Interactive and its associates and increase its potential to reach new customers.

Further details of the Renewed Advertising Framework Agreement are set out in the announcement of the Company dated December 16, 2022.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

4. Platform Technology Services Framework Agreement with Yunhan

On March 30, 2020, Shanghai Yixin and Yunhan (then an associate of Mr. Liu Qiangdong who is the ultimate controlling shareholder of JD.com which in turn was one of the Substantial Shareholders and currently an associate of JD.com) entered into the platform technology services framework agreement (the "**Platform Technology Services Framework Agreement**"), pursuant to which Yunhan (or its affiliated companies) shall promote the Group's online automobile financing business through a service promotion section on the Jingdong Baitiao platforms it operates and the Group shall pay Yunhan (or its affiliated companies) service fees in consideration for the services provided. The term of the Platform Technology Services Framework Agreement commenced on the date of the agreement and would end on December 31, 2022. On December 12, 2022, the Company, through Shanghai Yixin, renewed the above agreement by entering into the renewed Platform Technology Services Framework Agreement ("**Renewed Platform Technology Services Framework Agreement**") with Yunhan. The term of the Renewed Platform Technology Services Framework Agreement is for three years and commenced on January 1, 2023. Aside from the new annual caps described below, the terms of the Renewed Platform Technology Services Framework Agreement (including the pricing policy) are substantially the same as those of the Platform Technology Services Framework Agreement.

The service fees shall be calculated based on a certain percentage (i.e. the service fee rate, which shall be within an agreed range with reference to the prevailing market rates or better) of the financing amounts of the successful transactions between the Group and the users generated from the Platform Technology Services Framework Agreement.

The annual caps for the Renewed Platform Technology Services Framework Agreement for the year ended December 31, 2024 is RMB100,000,000. The aggregate fee paid by the Group pursuant to the Renewed Platform Technology Services Framework Agreement for the year ended December 31, 2024 amounted to approximately RMB21,374,000.

By entering into the Renewed Platform Technology Services Framework Agreement with Yunhan, the Group can utilize the financial platforms of Yunhan (or its associates), which are among the leading consumer lending online platforms in China, and further expand its customer base for its automobile financing business with the aim to increase its revenues and operation scale.

On November 18, 2024, JD.com ceased to be a Substantial Shareholder. Accordingly, the Renewed Platform Technology Services Framework Agreement and the transactions contemplated thereunder no longer constituted continuing connected transactions for the Company under Chapter 14A of the Listing Rules with effect from the same date.

Further details of the Renewed Platform Technology Services Framework Agreement are set out in the announcement of the Company dated December 12, 2022.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

5. Promotional Services Framework Agreement with Tencent Computer

On August 22, 2022, Tianjin Hengtong entered into a supplemental agreement ("**Supplemental Agreement**") with Tencent Computer (an associate of Tencent), which is a supplemental agreement to the previous cooperation agreement ("**Previous Cooperation Agreement**") previously entered into by the same parties. Pursuant to the Previous Cooperation Agreement, Tencent Computer shall provide certain promotional services to the Group in return for a service fee and the term of which expired on December 31, 2022 (subject to renewal). As there is a strong business need to establish a long term business relationship with Tencent, the parties entered into the Supplemental Agreement which provides a framework for the continued provision of the promotional services, sets the annual caps, and extends the original term under the Previous Cooperation Agreement to December 31, 2024. On December 4, 2024, the Company (through Tianjin Hengtong) renewed the Previous Cooperation Agreement (as amended and supplemented by the Supplemental Agreement) by entering into the renewed Promotional Services Framework Agreement ("**Renewed Promotional Services Framework Agreement**") with Tencent Computer. The term of the Renewed Promotional Services Framework Agreement is for three years and commenced on January 1, 2025.

The service fees payable by the Group under the subsequent agreement to be entered into under the Previous Cooperation Agreement (as amended and supplemented by the Supplemental Agreement) were determined after arm's length negotiation between the parties and with reference to, including but not limited to, (i) the market rates for promotional services of a similar nature, (ii) the number of customers who successfully applied for the financial products of the Group through the certain online websites and platforms of Tencent Computer ("**Tencent Platforms**"), (iii) the total financing amount of such financial products successfully applied for through the Tencent Platforms, and (iv) the scope of services and terms and conditions under each subsequent cooperation agreement. The service fees shall be calculated as a percentage of the financing amount of the financial products successfully applied for by customers of Tianjin Hengtong (or any of its associates) through the Tencent Platforms. The aforementioned percentage shall be determined based on the official price lists or business policies issued by Tencent Computer from time to time that are applicable to all of its other independent third party customers.

The annual cap for and the aggregate fee paid by the Group pursuant to the Previous Cooperation Agreement (as amended and supplemented by the Supplemental Agreement) for the year ended December 31, 2024 is RMB40,000,000 and amounted to approximately RMB4,541,000, respectively.

The annual cap for the Renewed Promotional Services Framework Agreement for each of the three years ending December 31, 2025, 2026 and 2027 are RMB20,000,000, RMB30,000,000 and RMB40,000,000, respectively.

By entering into the Previous Cooperation Agreement (as amended and supplemented by the Supplemental Agreement) and the Renewed Promotional Services Framework Agreement, the Company can leverage Tencent's large user base and attract more consumers to the products and services of the Group in order to enlarge the customer base of the Group and enhance business growth.

Further details of the Previous Cooperation Agreement (as amended and supplemented by the Supplemental Agreement) and the Renewed Promotional Services Framework Agreement are set out in the announcements of the Company dated August 22, 2022 and December 4, 2024, respectively.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

6. PRC Tencent Cloud Services Agreement with Beijing Tencent Cloud

On December 21, 2023, Shanghai Yixin and Beijing Tencent Cloud (an associate of Tencent) entered into a framework agreement ("**PRC Tencent Cloud Services Agreement**") in relation to the provision of certain Tencent cloud services, such as internet resources ancillary services, which include but are not limited to computing and storage services and database services, by Beijing Tencent Cloud to the Group for a term of three years commencing from January 1, 2024. The Group shall in return pay service fees to Beijing Tencent Cloud.

The service fee shall be determined based on (i) a predetermined pricing mechanism set by Beijing Tencent Cloud, which is published on Beijing Tencent Cloud's official website and similar to fee rates offered to other third parties, (ii) the exact type of services involved, the scope of the services to be provided and the terms and conditions of such services, (iii) the specific duration or frequency of each services to be provided, and (iv) the specific terms and conditions of each services to be provided.

The annual caps for the transaction amounts under the PRC Tencent Cloud Services Agreement for the year ended December 31, 2024 and each of the two years ending December 31, 2025 and 2026 are RMB8,000,000, RMB9,600,000 and RMB11,600,000 respectively.The aggregate fees paid by the Group for the year ended December 31, 2024 amounted to approximately RMB4,984,000.

The Company believes that the procurement of high-quality technological products and services from Tencent, its subsidiaries and controlled entities (the "**Tencent Group**"), especially cloud services provided by Beijing Tencent Cloud, will provide the Group with the necessary technologies to further develop its business, and obtaining such outsourced services from an integrated service provider is a cost-effective alternative to building all of the supporting technology infrastructure internally. Through the PRC Tencent Cloud Services Agreement, the Group will be able to reduce unnecessary management resources and costs incurred from reconciling and integrating its various operating systems, purchasing additional technology hardware and tools, as well as recruiting additional full-time information technology and maintenance staff.

Further details of the PRC Tencent Cloud Services Agreement are set out in the announcement of the Company dated December 21, 2023.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

7. Singapore Tencent Cloud Services Agreement with Singapore Tencent Cloud

On December 29, 2023, X Star and Singapore Tencent Cloud (an associate of Tencent) entered into a framework agreement ("**Singapore Tencent Cloud Services Agreement**") in relation to the provision of certain Tencent cloud services, such as internet resources ancillary services, which include but are not limited to computing and storage services and database services, by Singapore Tencent Cloud to the Group for a term of three years commencing from January 1, 2024. The Group shall in return pay service fees to Singapore Tencent Cloud.

The service fee shall be determined based on (i) a predetermined pricing mechanism set by Singapore Tencent Cloud, which is published on Singapore Tencent Cloud's official website and similar to fee rates offered to other third parties, (ii) the exact type of services involved, the scope of the services to be provided and the terms and conditions of such services, (iii) the specific duration or frequency of each services to be provided, and (iv) the specific terms and conditions of each services to be provided.

The annual caps for the transaction amounts under the Singapore Tencent Cloud Services Agreement for the year ended December 31, 2024 and each of the two years ending December 31, 2025 and 2026 are USD332,000 (equivalent to approximately RMB2,400,000), USD608,000 (equivalent to approximately RMB4,300,000) and USD975,000 (equivalent to approximately RMB6,900,000) respectively. The aggregate fees paid by the Group for the year ended December 31, 2024 amounted to approximately USD22,000 (equivalent to approximately RMB157,000).

The Company believes that the procurement of high-quality technological products and services from the Tencent Group, especially cloud services provided by Singapore Tencent Cloud, will provide the Group with the necessary technologies to further develop its business, and obtaining such outsourced services from an integrated service provider is a cost-effective alternative to building all of the supporting technology infrastructure internally. Through the Singapore Tencent Cloud Services Agreement, the Group will be able to reduce unnecessary management resources and costs incurred from reconciling and integrating its various operating systems, purchasing additional technology hardware and tools, as well as recruiting additional full-time information technology and maintenance staff.

Further details of the Singapore Tencent Cloud Services Agreement are set out in the announcement of the Company dated December 29, 2023.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

8. Technical Support and Consulting Services Agreements with Beijing Bitcar Interactive

On December 4, 2024, Xinjiang Wanxing and Beijing Bitcar Interactive (an associate of Tencent) entered into a supplemental agreement in relation to the previous services agreement in respect of the Technical Support and Consulting Services, which was due to expire on December 31, 2024 (collectively, the "**Technical Support and Consulting Services Agreements**"). The Technical Support and Consulting Services Agreements provided for the continued provision of the Technical Support and Consulting Services, set the annual caps, and extended the original term under the previous services agreement to December 31, 2025.

The services fees payable by Beijing Bitcar Interactive to Xinjiang Wanxing comprise two components, namely (i) the service fee payable for each of the fraud warning messages generated by the anti-fraud system and (ii) the basic annual service fee. The service fee for fraud warning messages generated by the anti-fraud system shall be calculated by multiplying the pre-determined rate of RMB0.45 per warning message with the actual usage volume as recorded in the anti-fraud system of Xinjiang Wanxing for each quarter. Such service fee shall be settled by Beijing Bitcar Interactive on a quarterly basis within the prescribed time limit after Beijing Bitcar Interactive has verified the particulars of usage volume and Xinjiang Wanxing has issued quarterly invoice to Beijing Bitcar Interactive. The basic annual service fee shall be a fixed sum of RMB16,200, which shall be settled by Beijing Bitcar Interactive on an annual basis within the prescribed time limit after its receipt of invoice and payment notification from Xinjiang Wanxing.

The annual caps for the transactions contemplated under the Technical Support and Consulting Services Agreements for the year ended December 31, 2024 and the year ending December 31, 2025 are RMB8,500,000 and RMB11,000,000 respectively. The aggregate fees paid by the Group for the year ended December 31, 2024 amounted to approximately RMB2,625,000.

As part of the Group's FinTech (SaaS) business, the Group continuously enhances its technological innovation capabilities and leverages artificial intelligence and other technologies to offer multitiered software products to industry partners. In particular, one of the core competitive advantages of the Group is its robust risk control technology, including but not limited to the anti-fraud system of Xinjiang Wanxing. The Technical Support and Consulting Services Agreements enables the Group to leverage on its expertise and benefit from the increased revenues generated from the continued provision of the Technical Support and Consulting Services to Beijing Bitcar Interactive for a longer term, as well as to set the annual caps which better reflect the current anticipation of increased demand for such services.

Further details of the Technical Support and Consulting Services Agreements are set out in the announcement of the Company dated December 4, 2024.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

Confirmation from the independent non-executive Directors

Our independent non-executive Directors have reviewed the continuing connected transactions mentioned under sections (1) to (8) above (the "**Continuing Connected Transactions**"), and confirmed that the Continuing Connected Transactions have been entered into:

(a) in the ordinary and usual course of business of the Group;

(b) on normal commercial terms or better; and

(c) according to relevant agreements governing them, on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Confirmation from the Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the Auditor to conduct certain procedures in respect of the continuing connected transactions of the Group for the year ended December 31, 2024, in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the HKICPA.

Pursuant to the waiver dated November 2, 2017 granted by the Stock Exchange from strict compliance with the requirements of setting an annual cap under Rule 14A.53 of the Listing Rules for the transactions with Beijing Xulu under the contractual arrangements, the Auditor has confirmed in a letter to the Board that, with respect to the aforesaid continuing connected transactions entered into by the Group for the year ended December 31, 2024:

(a) nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have not been approved by the Board;

(b) for transactions involving the provision of goods or services by the Group, nothing has come to their attention that causes them to believe that the transactions were not, in all material respects, in accordance with the pricing policies of the Group;

(c) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions;

(d) with respect to the aggregate amount of the continuing connected transactions other than those transactions with Beijing Xulu under the contractual arrangements, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions have exceeded the annual cap as set by the Company; and

(e) with respect of the disclosed continuing connected transactions with Beijing Xulu under the contractual arrangements, nothing has come to their attention that causes them to believe that dividends or other distributions have been made by Beijing Xulu to the holders of the equity interests of Beijing Xulu which are not otherwise subsequently assigned or transferred to the Group.

A summary of all significant transactions with related parties (the "**Related Party Transactions**") entered into by the Group during the Reporting Period is contained in Note 33 to the consolidated financial statements. During the Reporting Period, only (ii), (iv), (v), (vi) and (vii) of the Related Party Transactions in Note 33(c) therein constituted connected transactions or continuing connected transactions of the Company which should be disclosed pursuant to the Listing Rules. The Company has complied with the requirements prescribed in Chapter 14A of the Listing Rules with respect to the connected transactions and continuing connected transactions entered into by the Group during the year under review.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements

Reference is made to the waiver granted by the Stock Exchange to the Company from the strict compliance with the applicable disclosure, reporting and independent shareholders' approval requirements under Chapter 14A of the Listing Rules after the completion of the Listing.

For the purposes of Chapter 14A of the Listing Rules, and in particular the definition of "connected person", the Consolidated Affiliated Entity was treated as the Company's wholly-owned subsidiary, and its directors, chief executives or Substantial Shareholders (as defined in the Listing Rules) and their respective associates are treated as the Company's "connected person".

Reasons for the New Contractual Arrangements

Our Company operates an online automobile transaction platform in China and is primarily engaged in providing automobile transaction platform and self-operated automobile financing services, through its online channels, transaction service teams, and auto dealer cooperative network across China. The operation of mobile apps and the provision of online information services (the "**Relevant Businesses**") are subject to foreign investment restrictions under PRC law.

Our Consolidated Affiliated Entity was established under the laws of the PRC. We do not directly own any equity interest in Beijing Xulu, which is currently held by Tianjin Jushen Information Technology Co., Ltd. (天津聚莘信息技術有限公司) ("**Tianjin Jushen**"), Shenzhen Tencent Industry Investment Fund Co., Ltd., (深圳市騰訊產業投資基金有限公司) ("**Shenzhen Tencent**") and Beijing Jiasheng Investment Management Co., Ltd. (北京甲盛投資管理有限公司) ("**Beijing JD**") as to 55.7%, 26.6% and 17.7%, respectively (the "**Nominal Shareholders**"). Shenzhen Tencent, Beijing JD and Tianjin Jushen are all domestic companies of the PRC. Tianjin Jushen is wholly-owned by Mr. Bi Jianjun (畢建軍), who is a PRC citizen and the senior vice president of the asset management department of the Group.

Beijing Xulu was established on January 9, 2015, with its company name changed from Beijing Yixin Information Technology Co., Ltd.* (北京易鑫信息科技有限公司) to Beijing Xulu Information Technology Co., Ltd.* (北京序祿信息科技有限公司) with effect from October 21, 2024. The main business of Beijing Xulu is the provision of internet information services through mobile-based apps including Yixin Finance (易鑫金融), and websites, including daikuan.com. Beijing Xulu currently holds a value-added telecommunications business operating license.

Since the Relevant Businesses are classified as foreign investment restricted under applicable PRC laws, regulations or rules and there is no clear guidance or interpretation on applicable qualification requirements, we cannot hold any direct interest in Beijing Xulu, which currently holds and is expected to hold certain licenses and permits required for the operation of the Relevant Businesses.

In order to comply with PRC laws and regulations and maintain effective control over all of our operations, we entered into the Contractual Arrangements on August 10, 2017. Under the Contractual Arrangements, Beijing KKC had acquired effective control over the financial and operational policies of Beijing Xulu and had become entitled to all the economic benefits derived from its operations. On October 4, 2018, we entered into the New Contractual Arrangements (which have terms and conditions substantially the same as the Contractual Arrangements) mainly for the change of one of the nominal shareholders of Beijing Xulu from Mr. Bo Han to Tianjin Jushen. The Contractual Arrangements were terminated concurrently. We believe that the New Contractual Arrangements are narrowly tailored as they are used to enable the Group to conduct businesses in industries that are subject to foreign investment restrictions in the PRC.

* *for identification purposes only*

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements (Continued)

Reasons for the New Contractual Arrangements (Continued)

Our Directors believe that the New Contractual Arrangements are fair and reasonable because: (i) the New Contractual Arrangements were freely negotiated and entered into between the parties thereto, (ii) by entering into the Exclusive Business Cooperation Agreement (as defined in the section headed "Continuing Connected Transactions" in this annual report) with Tianjin Kars (which is a PRC subsidiary of the Company), Beijing Xulu will enjoy better economic and technical support from us, as well as a better market reputation, and (iii) a number of other companies use similar arrangements to accomplish the same purpose.

Risks relating to the New Contractual Arrangements

We believe the following risks are associated with the New Contractual Arrangements. Further details of these risks are set out on pages 57 to 64 of the Prospectus and the announcement of the Company dated October 4, 2018.

- If the PRC government finds that the contractual agreements that establish the structure for operating certain of our businesses in China do not comply with applicable PRC governmental restrictions on foreign investment in these businesses, or if these regulations or the interpretation of existing regulations change in the future, we could be subject to severe penalties or be forced to relinquish our interests in those operations.

- We rely on contractual arrangements with our variable interest entity and its nominal shareholders for certain of our business operations in China, which may not be as effective in providing operational control or enabling us to derive economic benefits as through ownership of controlling equity interest.

- We conduct our online business operation in the PRC through our Consolidated Affiliated Entity by way of the contractual arrangements, but certain of the terms of the contractual arrangements may not be enforceable under PRC laws and our ability to enforce the contractual agreements between us and the variable interest entity's nominal shareholders may be subject to limitations based on PRC laws and regulations.

- The nominal shareholders of our Consolidated Affiliated Entity may have potential conflicts of interest with us, which may materially and adversely affect our business and financial condition.

- Contractual arrangements with our Consolidated Affiliated Entity and our principal shareholders may be subject to scrutiny by the PRC tax authorities and may result in a finding that we and our Consolidated Affiliated Entity owe additional taxes or are ineligible for tax exemption, or both, which could substantially increase our taxes owed and thereby reduce our net income.

- Substantial uncertainties exist with respect to the interpretation and implementation of the Foreign Investment Law of the PRC and the Implementing Regulations of the Foreign Investment Law of the PRC and how it may impact the viability of our current corporate structure, corporate governance and business operations.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements (Continued)

New Contractual Arrangements in place

The New Contractual Arrangements which were in place during the Reporting Period and a brief description of the major terms of the structured contracts under the New Contractual Arrangements are as follows:

1. Exclusive business cooperation agreements

   Beijing Xulu entered into a new exclusive business cooperation agreement with Tianjin Kars on October 4, 2018 (the "**Exclusive Business Cooperation Agreement**"), pursuant to which Beijing Xulu agreed to engage Tianjin Kars as its exclusive provider of business support, technical and consulting services, including technical services, network support, business consultation, equipment, leasing, marketing consultancy, customer order management and customer services, system integration and maintenance, in exchange for service fees. Under these arrangements, the service fees shall consist of an amount to be determined by Tianjin Kars and Beijing Xulu in writing through negotiation after consideration of certain factors.

   As of December 31, 2024, the accumulated losses of Beijing Xulu amounted to RMB1,666 million (2023: RMB1,444 million). Tianjin Kars enjoys all the economic benefits derived from the businesses of Beijing Xulu and bears Beijing Xulu's business risks. If Beijing Xulu runs into financial deficit or suffers severe operation difficulties, Tianjin Kars will provide financial support to Beijing Xulu.

2. Exclusive option agreements

   Beijing Xulu and each of the Nominal Shareholders entered into a new exclusive option agreement with Tianjin Kars on October 4, 2018 (the "**Exclusive Option Agreements**"), pursuant to which each Nominal Shareholder granted Tianjin Kars an irrevocable and exclusive right to purchase, or designate one or more persons (each, a "**designee**") to purchase the equity interests in Beijing Xulu (the "**Optioned Interests**") then held by such Nominal Shareholder once or at multiple times at any time in part or in whole at Tianjin Kars's sole and absolute discretion, to the extent permitted under the applicable PRC laws. Where Tianjin Kars chooses to purchase the Optioned Interest, each of the Nominal Shareholders shall cause Beijing Xulu to promptly convene a shareholders' meeting, at which a resolution shall be adopted approving the Nominal Shareholder's transfer of the Optioned Interests to Tianjin Kars and/or its designee.

3. Equity interest pledge agreements

   Tianjin Kars, each of the Nominal Shareholders and Beijing Xulu entered into a new equity pledge agreements on October 4, 2018 (the "**Equity Interest Pledge Agreements**"), pursuant to which each of the Nominal Shareholders agreed to pledge all their respective equity interests in Beijing Xulu that they own, including any interest or dividend paid for the shares, to Tianjin Kars as a security interest to guarantee the performance of contractual obligations and the payment of outstanding debts of Beijing Xulu and each of the Nominal Shareholders under the Exclusive Business Cooperation Agreement, the Exclusive Option Agreements and the Powers of Attorney (as defined below).

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

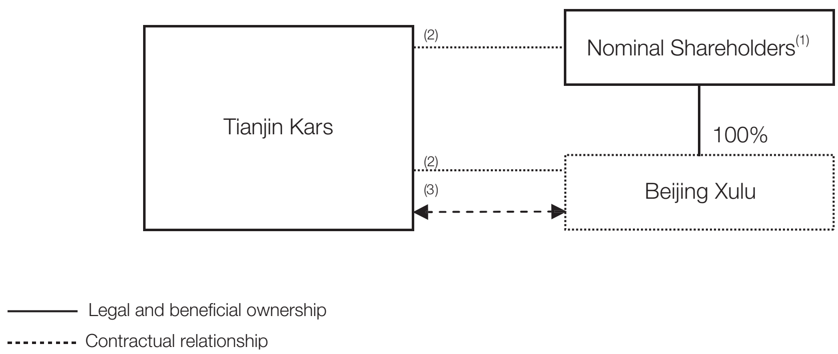
9. New Contractual Arrangements (Continued)

New Contractual Arrangements in place (Continued)

4. Powers of attorney

Beijing Xulu, each of the Nominal Shareholders and Tianjin Kars entered into a new power of attorney on October 4, 2018 (the "**Powers of Attorney**"), pursuant to which each of the Nominal Shareholders irrevocably appointed Tianjin Kars (as well as its successors, including a liquidator, if any, replacing Tianjin Kars) or its designee(s) (including its directors) as its exclusive agent and attorney to act on its behalf on all matters concerning Beijing Xulu and to exercise all of its rights as a registered shareholder of Beijing Xulu.

The following simplified diagram illustrates the flow of economic benefits from Beijing Xulu to our Group stipulated under the New Contractual Arrangements:



Notes:

(1) The Nominal Shareholders of Beijing Xulu are Tianjin Jushen, Shenzhen Tencent and Beijing JD holding 55.7%, 26.6% and 17.7% of the equity interests in Beijing Xulu, respectively.

(2) The Nominal Shareholders executed the powers of attorney in favor of Tianjin Kars to exercise all shareholders' rights in Beijing Xulu. Please refer to the announcement of the Company dated October 4, 2018 for further details.

The Nominal Shareholders executed exclusive options in favor of Tianjin Kars to acquire all or part of the equity interest in and/or assets of Beijing Xulu. Please refer to the announcement of the Company dated October 4, 2018 for further details.

The Nominal Shareholders granted first priority security interest in favor of Tianjin Kars over the entire equity interest in Beijing Xulu. Please refer to the announcement of the Company dated October 4, 2018 for further details.

(3) Beijing Xulu will pay services fees to Tianjin Kars in exchange for business support and technical and consulting services. Please refer to the announcement of the Company dated October 4, 2018 for further details.

There are neither other new contractual arrangements entered into, renewed or reproduced between the Group and the Consolidated Affiliated Entity during the financial year ended December 31, 2024, nor material change in the New Contractual Arrangements and/or the circumstances under which they were adopted for the year ended December 31, 2024.

For the year ended December 31, 2024, none of the New Contractual Arrangements has been unwound as none of the restrictions that led to the adoption of structured contracts under the New Contractual Arrangements has been removed.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements (Continued)

New Contractual Arrangements in place (Continued)

We have been advised by our PRC Legal Advisor that the New Contractual Arrangements do not violate the relevant PRC laws and regulations.

The revenue of Beijing Xulu for the years ended December 31, 2024 and 2023 were RMB0.11 million and RMB9 million, respectively.

For the year ended December 31, 2024, the revenue of Beijing Xulu amounted to approximately 0.00% (2023: 0.13%) of the revenue of the Group.

Mitigation actions taken by the Company

Our management works closely with Tianjin Jushen, Shenzhen Tencent and Beijing JD and our external legal counsels and advisors to monitor the regulatory environment and developments in PRC laws and regulations to mitigate the risks associated with the New Contractual Arrangements during the Reporting Period. We also continue to expand our experience in the value-added telecommunications business overseas, as further discussed under the section headed "Continuing Connected Transactions" of this annual report.

The extent to which the New Contractual Arrangements relate to requirements other than the foreign ownership restriction

All of the New Contractual Arrangements are subject to the restrictions as set out on pages 193 to 197 of the Prospectus and the announcement of the Company dated October 4, 2018.

Listing Rules Implications

The highest applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transactions associated with the New Contractual Arrangements are expected to be more than 5%. As such, the transactions will be subject to the reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Waiver from the Stock Exchange and annual review

The Stock Exchange has granted the Company a waiver (the "**IPO Waiver**") pursuant to Rule 14A.105of the Listing Rules from (i) strict compliance with the announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules in respect of the transactions under the Contractual Arrangements; (ii) setting a maximum aggregate annual value, i.e. an annual cap, under Rule 14A.53 of the Listing Rules for the transactions under the Contractual Arrangements; and (iii) fixing the term of the Contractual Arrangements to three years or less under Rule 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange subject to the following conditions:

(a) no change to the Contractual Arrangements without independent non-executive Directors' approval;

(b) no change to the Contractual Arrangements without independent Shareholders' approval;

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements (Continued)

Waiver from the Stock Exchange and annual review (Continued)

(c) the Contractual Arrangements shall continue to enable our Group to receive the economic benefits derived by the Consolidated Affiliated Entity;

(d) the Contractual Arrangements may be renewed and/or reproduced upon expiry or when justified by business expediency, without obtaining the approval of the Shareholders, on substantially the same terms and conditions as the Contractual Arrangements; and

(e) our Group will disclose details relating to the Contractual Arrangements on an ongoing basis.

Since the New Contractual Arrangements are reproduced from the Contractual Arrangements as provided under the conditions of the IPO Waiver, the Company has sought confirmation from the Stock Exchange, and the Stock Exchange has confirmed, that the transactions contemplated under the New Contractual Arrangements would fall within the scope of the waiver from the requirements of Chapter 14A of the Listing Rules as set out in the IPO Waiver and are exempt from (i) the announcement, circular and the independent Shareholders' approval requirements under Chapter 14A of the Listing Rules, (ii) the requirement of setting an annual cap for the transactions under the New Contractual Arrangements under Rule 14A.53 of the Listing Rules, and (iii) the requirement of limiting the term of the New Contractual Arrangements to three years or less under 14A.52 of the Listing Rules, for so long as the Shares are listed on the Stock Exchange, subject to compliance with the same conditions of the IPO Waiver.

Qualification requirements

PRC law currently limits foreign ownership of companies that provide value-added telecommunications services (including internet information services other than operating e-commerce business, domestic multi-party communication services, store-and-forward business, and call center business) in the PRC for not more than 50%. Pursuant to the Provisions on Administration of Foreign Invested Telecommunications Enterprises promulgated by the State Council on December 11, 2001 and amended on February 6, 2016 (the "**FITE Regulation (2016 version)**"), for a foreign investor to obtain any equity interest in a value-added telecommunications company in China, it must satisfy the Certain Qualification Requirements. Foreign investors that meet these requirements must obtain approvals from the MIIT or its authorized local counterparts, which retain considerable discretion in granting such approvals. On March 29, 2022, the Decision of the State Council on Revising and Repealing Certain Administrative Regulations, which took effect on May 1, 2022, was promulgated to amend certain provisions of regulations including the FITE Regulation (2016 Version). Pursuant to the revised Provisions on Administration of Foreign Invested Telecommunications Enterprises (the "**FITE Regulation (2022 Version)**"), the foreign investor contemplating to acquire equity interests in a value-added telecommunications services provider in China will not be required to demonstrate good track records and experience in operating a value-added telecommunication business overseas. Additionally, on April 8, 2024, the MIIT issued the Notice on Carrying Out the Pilot Work of Expanding the Opening up of Value-Added Telecommunications Services, which provides, among others, the removal of foreign ownership ratio restrictions for specific value-added telecommunications services (including Internet Data Centers (IDC), Content Delivery Networks (CDN), Internet Access Services (ISP), online data processing and transaction processing services, and information release platform and transmission services (excluding internet news information, online publishing, online audio-visual, and internet cultural operation), and information protection and processing services under catalog of information services) in the pilot areas of Beijing, Shanghai, Hainan, and Shenzhen. Foreign-invested companies that plan to carry out the aforementioned value-added telecommunications services in the pilot areas and meet specific business operation requirements should apply to the MIIT for a pilot approval of value-added telecommunications business operations. The MIIT will have discretion as to whether to grant the license. However, there remains substantial uncertainties as to whether in practice the Certain Qualification Requirements will still be applicable, and whether and what other qualification requirements will be imposed on or applicable to, a foreign investor with respect to holding equity interest in a value-added telecommunications services provider in China, as well as with the interpretation and implementation of existing and future regulations in this regard. If it is determined in the future that there is no substantial restriction on issuance of value-added telecommunications business operating licenses to foreign-invested companies, it is uncertain whether we can, or how long it will take us to, reorganize the equity structure of Beijing Xulu and obtain a new value-added telecommunications business operating license from the MIIT.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements (Continued)

Efforts and actions undertaken to comply with the Certain Qualification Requirements

Despite the lack of clear guidance or interpretation on the Certain Qualification Requirements and the abolition of such requirements under the FITE Regulation (2022 Version), we have been gradually building up our track record of overseas value-added telecommunications business operations for the purposes of being qualified, as early as possible, to acquire equity interests in Beijing Xulu when the relevant PRC laws allow foreign investors to invest and to hold a majority interest in value-added telecommunications enterprises in the PRC. We are in the process of expanding our overseas value-added telecommunications business through our overseas subsidiaries. We have taken the following measures to meet the Certain Qualification Requirements:

1. Yixin HK has been incorporated in Hong Kong since November 2014 for the purposes of establishing and expanding our operations overseas;

2. We have registered several trademarks outside the PRC for the promotion of our Relevant Businesses overseas;

3. Yixin HK has set up an office and employed staff in Hong Kong for the expansion of our operations overseas;

4. Our Company has constructed its overseas website, www.yixincars.com, which is primarily for introducing our Group's business to users and investor relations purpose. The Company plans to utilize this website to help overseas investors to better understand our products and business, and our website will have links to re-direct the users to our domestic website. Through this overseas website, we can capture and analyze overseas user data in order to provide helpful insights for our overseas expansion plans; and

5. Our Company has commenced feasibility studies on the further development of marketing to overseas markets and potential investments or acquisitions in order to optimize its strategic plan for expanding its current businesses to overseas markets.

Subject to the discretion of the competent authority on a case-by-case basis whether the Group has fulfilled the Certain Qualification Requirements and other qualification requirements (if any), our PRC Legal Advisor is of the view that the above steps taken by us are reasonable and appropriate for gradually building up a track record to meet the Certain Qualification Requirements as our Company will have experience in providing value-added telecommunications services in overseas markets, which is in accordance with the FITE Regulations (2016 Version). In addition, we will remain abreast of any regulatory developments and continuously assess whether we meet all qualification requirements, with a view to unwinding the New Contractual Arrangements wholly or partially as and when practicable and permissible under the prevailing PRC laws.

An overview of the relevant PRC laws and regulations

Since foreign investment in certain areas of the industry in which we currently operate is subject to restrictions under current PRC laws and regulations outlined above, we determined that it was not viable for our Company to hold our Consolidated Affiliated Entity directly through equity ownership. Instead, we decided that, in line with common practice in industries in the PRC subject to foreign investment restrictions and qualification requirements, the Company would gain effective control over, and receive all the economic benefits generated by the businesses currently operated by our Consolidated Affiliated Entity through the New Contractual Arrangements between Tianjin Kars, the Company's wholly-owned subsidiaries in the PRC, on the one hand, and Beijing Xulu and its nominal shareholders, on the other hand. The New Contractual Arrangements allow the results of operations and assets and liabilities of Beijing Xulu and its subsidiaries to be consolidated into our results of operations and assets and liabilities under IFRSs as if they were wholly-owned subsidiaries of our Group.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements (Continued)

An overview of the relevant PRC laws and regulations (Continued)

On July 6, 2021, certain PRC regulatory authorities issued Opinions on Strictly Cracking Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》) which further emphasized the need to strengthen cross-border collaboration on law enforcement and regulation of securities law in three ways:

(i) strengthening joint regulatory oversight, including improving relevant laws and regulations on data security, cross-border data flow, classified information management etc. and strengthening the standardized management of cross-border data transmission mechanism and process; (ii) strengthening the supervision of China-based overseas-listed companies, including promoting the construction of relevant regulatory systems to deal with the risks and emergencies of China-based overseas-listed companies; (iii) establishing a comprehensive overseas regulatory system for overseas capital markets, including formulating the judicial interpretation and supplementary rules for provisions of the securities law that are applicable overseas.

Subsequently, on February 17, 2023, the China Securities Regulatory Commission (the "**CSRC**") promulgated the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) (the "**Overseas Listing Trial Measures**"), and the relevant guidelines, which took effect on March 31, 2023. The Overseas Listing Trial Measures comprehensively improved and reformed the existing regulatory regime for overseas securities offering and listing activities by PRC domestic companies and regulate both direct and indirect overseas securities offering and listing activities by PRC domestic companies by adopting a filing-based regulatory regime. On the same day, the CSRC also held a press conference for the release of the Overseas Listing Trial Measures and issued the Notice on Administration for the Filing of Overseas Offering and Listing by Domestic Companies (《關於境內企業境外發行上市備案管理安排的通知》), which, among others, clarifies that those domestic companies that fall within the scope to fulfil the filing procedure and have been listed overseas before March 31, 2023 shall be regarded as "existing issuers". Such existing issuers are not required to perform the filing procedures immediately but shall fulfill the filing procedures as required if they conduct follow-on financing or are involved in other activities which require filing with the CSRC in the future. The Overseas Listing Trial Measures also require subsequent reports to be filed with the CSRC on material events, such as change of control or voluntary or forced delisting of the issuer(s) who have completed overseas offerings and listings. In addition, on February 24, 2023, the CSRC, together with other PRC government authorities, released the Provisions on Strengthening the Confidentiality and Archives Administration Related to the Overseas Securities Offering and Listing by Domestic Enterprises (《關於加強境內企業境外發行證券和上市相關保密和檔案管理工作的規定》) (the "**Confidentiality and Archives Administration Provisions**"), which came into effect on March 31, 2023. The Confidentiality and Archives Administration Provisions require, among others, that PRC domestic enterprises seeking to offer and list securities in overseas markets, either directly or indirectly, shall establish the confidentiality and archives system, and shall complete approval and filing procedures with competent authorities, if such PRC domestic enterprises or their overseas listing entities provide or publicly disclose documents or materials involving state secrets and work secrets of PRC government agencies to relevant securities companies, securities service institutions, overseas regulatory agencies and other entities and individuals. It further stipulates that providing or publicly disclosing documents and materials which may adversely affect national security or public interests, and accounting files or copies of important preservation value to the state and society shall be subject to corresponding procedures in accordance with relevant laws and regulations. Given that the Overseas Listing Trial Measures and the Confidentiality and Archives Administration Provisions were recently promulgated, there remain uncertainties as to their interpretation, application, and enforcement and how they will affect our operations and our future financing. If it is determined that we are subject to any CSRC approval, filing, other governmental authorization or requirements for future capital raising activities, we may fail to obtain such approval or meet such requirements in a timely manner or at all. Such failure may adversely affect our ability to finance the development of our business and may have a material adverse effect on our business and financial conditions.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements (Continued)

An overview of the relevant PRC laws and regulations (Continued)

In addition, on December 28, 2021, the Cyberspace Administration of China (the "**CAC**") and several other administrations jointly issued the Measures for Cybersecurity Review《網絡安全審查辦法》(the "**Measures**"), which became effective on February 15, 2022. According to the Measures, among others, if an "online platform operator" that is in possession of personal data of more than one million users intends to list in a foreign country, it must report to the relevant cybersecurity review office for a cybersecurity review. In addition, the Measure also provides that if the relevant authorities consider that certain network products and services, data processing activities and overseas listing activities affect or may affect national security, the authorities may initiate a cybersecurity review even if the companies do not have an obligation to report for a cybersecurity review under such circumstances. On September 24, 2024, the State Council published the Regulation on Network Data Security Management《網絡數據安全管理條例》(the "**Regulations**"), which took effect on January 1, 2025. The Regulations set out general guidelines for the protection of personal information, security of important data, security management of cross-border data transfer, obligations of internet platform operators, supervision and management, and legal liabilities. The Regulations stipulate that data processors which process important data shall conduct an annual data security review, and submit the annual risk assessment report to the relevant competent authorities at or above the provincial level. It is uncertain how the foregoing regulations will be interpreted or implemented, whether such regulations may have retroactive effect and how they will affect us. Furthermore, if there would be any approval, filings and/or other administration procedures to be obtained from or completed with the CSRC, the CAC or other PRC regulatory authorities as required by any new laws and regulations, while we will use our best endeavors to comply with the requirements of such new laws and regulations and avoid or mitigate any related adverse effects, we cannot assure that we can obtain the required approval or complete the required filings or other regulatory procedures in a timely manner, or at all. Any failure to obtain the relevant approval or complete the filings and other relevant regulatory procedures may subject us to regulatory actions or other sanctions from the CSRC, the CAC or other PRC regulatory authorities, which may have a material adverse effect on our business, operation or financial conditions.

CONTINUING CONNECTED TRANSACTIONS (CONTINUED)

9. New Contractual Arrangements (Continued)

Confirmation from the independent non-executive Directors

Our independent non-executive Directors have reviewed the New Contractual Arrangements and confirmed that:

(i) the transactions carried out during the Reporting Period have been entered into in accordance with the relevant provisions of the New Contractual Arrangements;

(ii) no dividends or other distributions have been made by our Consolidated Affiliated Entity to the holders of its equity interests which are not otherwise subsequently assigned or transferred to our Group;

(iii) no new contracts were entered into, renewed or reproduced between our Group and the Consolidated Affiliated Entity during the Reporting Period; and

(iv) the New Contractual Arrangements are fair and reasonable and in the interests of the Shareholders as a whole.

Confirmation from the Auditor

Pursuant to Rule 14A.56 of the Listing Rules, the Company has engaged the Auditor to conduct certain procedures in respect of the transactions carried out pursuant to the New Contractual Arrangements of the Group for the year ended December 31, 2024, in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the HKICPA. The Auditor has confirmed in a letter to the Board that, with respect to the transactions carried out pursuant to the New Contractual Arrangements during the Reporting Period:

(a) nothing has come to their attention that causes them to believe that the New Contractual Arrangements have not been approved by the Board;

(b) nothing has come to their attention that causes them to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements under the New Contractual Arrangements governing such transactions; and

(c) with respect to the contractual arrangements entered into by the Group, nothing has come to their attention that causes them to believe that dividends or other distributions have been made by Beijing Xulu to its registered equity holders which are not otherwise subsequently assigned or transferred to the Group.

The actual amount of the transactions pursuant to the New Contractual Arrangements during the Reporting Period, which are eliminated in the consolidated financial statements, is RMB111,287,000.

MAJOR CUSTOMERS AND SUPPLIERS

Customers

For our transaction platform businesses, our customers primarily include consumers and auto finance partners for loan facilitation services, consumers for guarantee service and after-market services, and automakers, auto dealers, auto finance partners, and insurance companies for advertising and other services.

For our financing and leasing business, our customers primarily include consumers.

For the year ended December 31, 2024, the amounts of revenue from the Group's five largest customers accounted for 44% (2023: 50%) of the Group's total revenue and the amount of revenue from our single largest customer accounted for 23% (2023: 15%) of the Group's total revenue.

During the year ended December 31, 2024, our largest customer from which we derived 23% of our revenues was Industrial and Commercial Bank of China.

During the Reporting Period, none of our Directors, or any of their close associates or any Shareholders (who or which to the best knowledge of the Directors, owned more than 5% of the Company's issued Shares, excluding treasury Shares, if any) had any interest in any of the Group's five largest customers.

Suppliers

Our suppliers primarily include auto dealers, which supply us or our customers with automobiles and facilitate our financed transactions with our customers, as well as banks and other financial institutions, which primarily fund our self-operated financing business. To a lesser extent, our suppliers also include online traffic suppliers, data suppliers, hardware vendors, used car valuation service providers, and auto asset management professionals.

We are dedicated to working closely with our top suppliers to strengthen our relationships with them. Purchases from our five largest suppliers excluding banks, financial institutions and holders of asset-backed securities and notes for the year ended December 31, 2024 accounted for approximately 21% (2023: 18%) of our total purchase amount. Our largest supplier for the year ended December 31, 2024 accounted for approximately 12% (2023: 12%) of our total purchase amount.

During the Reporting Period, none of the Directors or any of their close associates or any Shareholders (who or which to the best knowledge of the Directors, owned more than 5% of the Company's issued Shares, excluding treasury Shares, if any) had any interest in any of the Group's five largest suppliers.

AUDITOR

The consolidated financial statements of the Group have been audited by PricewaterhouseCoopers, who will retire and, being eligible, offer themselves for re-appointment at the Annual General Meeting.

IMPORTANT EVENTS AFTER THE REPORTING PERIOD

From January 1, 2025 and up to the date of this annual report, there was no important event or transaction affecting the Group and which is required to be disclosed by the Company to its Shareholders.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to fulfilling social responsibility, promoting employee benefits and development, protecting the environment and giving back to community and achieving sustainable growth. Details of such are set out in the "ESG Report" contained in this annual report.

PUBLIC FLOAT

The Company has obtained a waiver from the Stock Exchange and the Stock Exchange has accepted, under Rule 8.08 (1)(d) of the Listing Rules, a lower public float percentage of 22.99% of our issued share capital.

As at the date of this annual report and based on the information that is publicly available to the Company and to the knowledge of the Directors as at the latest practicable date prior to the despatch of this annual report, the Company has maintained the minimum public float as permitted by the Stock Exchange.

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 Wednesday, May 7, 2025 to Monday, May 12, 2025, 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 Hong Kong Share Registrar 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 Tuesday, May 6, 2025.

For determining the entitlement to the proposed final and special dividends, the Register of Members of the Company will be closed from Thursday, May 22, 2025 to Tuesday, May 27, 2025, both dates inclusive, during which period no transfer of shares will be registered. The record date on which the shareholders of the Company are qualified to receive the proposed final and special dividends is Tuesday, May 27, 2025. In order to be qualified for the proposed final and special dividends, 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 Wednesday, May 21, 2025.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the Group in all material respects.

By the Order of the Board
Andy Xuan Zhang
Chairman

February 27, 2025

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board 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 Shareholders.

The Board believes that good corporate governance standards are essential in providing a framework for the Company to safeguard the interests of Shareholders, enhance corporate value and formulate its business strategies and policies.

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 code provision C.2.1 which stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Details of the deviation are set out in the section headed "Chairman and Chief Executive Officer" in this Corporate Governance Report.

The Board 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

The Company has devised its own code of conduct regarding securities transactions (the "**Company's Securities Dealing Code**"), regarding Directors' and relevant employees' dealings in the Company's securities on terms no less exacting than those set out in 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 throughout 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.

BOARD OF DIRECTORS

The Board oversees the Group's businesses, strategic decisions and performance and should make decisions objectively in the best interests of the Company.

The Board should regularly review the contribution required from a Director to perform his/her responsibilities to the Company, and whether the Director is spending sufficient time performing them. The Board recognizes the importance and benefits of conducting regular evaluation of its performance. An internal Board evaluation was conducted annually in the form of questionnaire with the aim of soliciting valuable feedback, improving the effectiveness and enhancing accountability of the Board. The scope of the evaluation focused on the composition and diversity, as well as effectiveness of the performance of the Board. The evaluation questionnaire consisted of both quantitative elements based on the ratings, as well as qualitative recommendations on any areas of improvement. The evaluation results had been presented to the Board for follow-up actions of improvement.

The evaluation results indicated that the members of the Board broadly agreed that the Board had operated satisfactorily. They were also satisfied, in general, with the composition and effectiveness of the Board.

The Board has established the Group's purpose, values and strategy, and has satisfied itself that the Group's culture is aligned. Acting with integrity and leading by example, the Directors promote the desired culture to instill and continually reinforce across the Group the values of acting lawfully, ethically and responsibly. The Group has adopted anti-corruption and whistleblowing policies to provide forums for reporting issues and concerns on any misconduct, and to uphold business integrity in its operations.

The Group is committed to seeking progress while maintaining stability and strives to improve operational efficiency and strengthen the risk control measures. Effective risk control will remain as the core competitiveness and investment highlight of the Group, while the Group will strive to extend its business to upstream and downstream of the industrial chain and further explore business opportunities. A healthy corporate culture is important to good corporate governance, which is crucial for achieving sustainable long-term success of the Group.

BOARD COMPOSITION

As at the date of this annual report, the Board comprises nine members as follows:

Executive Directors:	Mr. Andy Xuan Zhang *(Chairman, Chief Executive Officer, Chairman of the Nomination Committee and Member of the Remuneration Committee)* Mr. Rodney Ling Kay Tsang *(Vice Chairman) (appointed on February 27, 2025)* Mr. Dong Jiang *(Joint President)*
Non-executive Directors:	Mr. Qing Hua Xie Ms. Amanda Chi Yan Chau
Independent Non-executive Directors:	Mr. Tin Fan Yuen *(Chairman of the Remuneration Committee and Member of the Audit Committee)* Mr. Chester Tun Ho Kwok *(Chairman of the Audit Committee and Member of the Nomination Committee)* Ms. Lily Li Dong *(Member of the Audit Committee, the Remuneration Committee and the Nomination Committee)* Mr. Henry Chi Hung Yim *(Member of the Audit Committee) (appointed on February 27, 2025)*

Mr. Qin Miao, who served as a non-executive Director during the Reporting Period, resigned on January 13, 2025.

Each of Mr. Rodney Ling Kay Tsang and Mr. Henry Chi Hung Yim has obtained legal advice referred to in Rule 3.09D of the Listing Rules on February 24, 2025 and February 25, 2025, respectively. Each of them has confirmed that he understood his obligations as a director of the Company.

The biographical information of the Directors is set out in the section headed "Directors and Senior Management" of this annual report. Save as disclosed therein, none of the members of the Board is related to one another, including financial, business, family or other material/relevant relationships.

Chairman and Chief Executive Officer

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.

Independent Non-executive Directors

During the Reporting Period, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. The Company is of the view that all independent non-executive Directors are independent.

The Company has put in place mechanisms to ensure independent views and input are available to the Board.This is achieved by giving directors access to external independent professional advice from legal advisers and auditor, as well as the full attendance of all independent non-executive Directors at all the meetings of the Board and its relevant committees held during the Reporting Period.

The Board reviews the implementation and effectiveness of the aforementioned mechanisms on an annual basis.

Terms of Directors and Re-election of Directors

Code provision B.2.2 of the CG Code states that all directors appointed to fill a casual vacancy should be subject to election by shareholders at the first general meeting after appointment and that every director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.

Each of the executive Directors has entered into a service agreement with the Company for a term of three years, subject to renewal after the expiry of the then current term. Each of the non-executive Directors and independent non-executive Directors has entered into an appointment letter with the Company for a term of three years, subject to renewal after the expiry of the then current term.

Under the Company's Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not less than, one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. Any Director appointed to fill a casual vacancy or as an addition to the Board shall not be taken into account in determining which Directors are to retire by rotation. The retiring Directors shall be eligible for re-election thereat.

The Company's Articles of Association also provides that all Directors appointed to fill a casual vacancy or as an addition to the Board shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting.

Responsibilities and Accountabilities of the Directors

The Board is responsible for leadership and control of the Company, and is collectively responsible for directing and supervising the Company's affairs.

The Board directly, and indirectly through its committees, leads and provides direction to management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including non-executive Directors and independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The independent non-executive Directors are responsible for ensuring a high standard of regulatory reporting of the Company and providing a balance in the Board for bringing effective independent judgment on corporate actions and operations.

All Directors have full and timely access to all the information of the Company and may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors shall disclose to the Company details of other offices held by them.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and coordinating the daily operation and management of the Company are delegated to the management.

The Company has arranged appropriate insurance coverage on Directors' and officers' liabilities in respect of any legal actions taken against Directors and senior management arising out of corporate activities. The insurance coverage would be reviewed on an annual basis.

Continuous Professional Development of Directors

Directors shall keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. All Directors have been updated on the latest developments regarding the statutory and regulatory requirements and also the business and market changes to facilitate the performance of their responsibilities and obligations under the Listing Rules and relevant statutory requirements, and enhance their awareness of good corporate governance practices.

All directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills. Internally-facilitated briefings for the Directors would be arranged and reading materials on changes and developments to the Group's business and to the legislative and regulatory environments relating to the market and the operations of the Group would be provided to the Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses. All the Directors named in the section headed "Corporate Information" of this annual report, who have served the Board during the Reporting Period, confirmed that they have complied with the code provision C.1.4 of the CG Code on Directors' continuous professional development during the Reporting Period by participating in appropriate continuous professional development activities, and reading materials relating to regulatory updates and handouts or reviewing the papers and circulars sent by the Company.

BOARD COMMITTEES

The Board has established three committees, namely, the Audit Committee, the Remuneration Committee and the Nomination Committee for overseeing particular aspects of the Company's affairs. All Board committees of the Company are established with specific written terms of reference which deal clearly with their authority and duties. The terms of reference of the Board committees are posted on the websites of the Company (www.yixincars.com) and the Stock Exchange (www.hkexnews.hk) and are available to the Shareholders upon request.

The list of the chairman and members of each Board committee is set out under the section "Board Composition" in this Corporate Governance Report.

Audit Committee

The main duties of the Audit Committee include:

- assisting the Board in reviewing the financial information and reporting process of the Company;

- monitoring and reviewing risk management and internal control systems of the Company through the internal audit department;

– reviewing the effectiveness of the internal audit function of the Company;

– reviewing the scope of audit and appointment of external auditor of the Company; and

– supervising internal investigation and reviewing the anti-corruption policy and system and the whistleblowing policy and systems and other arrangements for employees of the Company to raise concerns about possible improprieties in any matters related to the Company.

During the Reporting Period, the Audit Committee met thrice with all members of the committee attended. The Audit Committee's work performed during the Reporting Period included: reviewing the Company's annual financial results and annual report for the year ended December 31, 2023 and the interim results and interim report for the six months ended June 30, 2024, the significant issues on financial reporting, operational and compliance matters, risk management and internal control systems and internal audit function, terms of engagement and remuneration of external auditor, continuing connected transactions of the Group, arrangements for employees to raise concerns about possible improprieties, the anti-corruption policy and internal audit reports.

Remuneration Committee

The primary functions of the Remuneration Committee include:

– reviewing and making recommendations to the Board on the remuneration packages of individual executive Directors and senior management;

– reviewing and making recommendations to the Board on the remuneration of the non-executive Directors;

– establishing transparent procedures for developing the Company's policy and structure for the remuneration of all Directors and senior management (the "**Remuneration Policy**"); and

– reviewing and making recommendations to the Board on the Remuneration Policy as follows:

Remuneration Policy

  – No individual or any of his or her associates should participate in deciding his or her own remuneration.

  – The remuneration of the Directors and senior management is determined with reference to their expertise and experience in the industry, level of responsibility, the performance and profitability of the Group as well as remuneration benchmarks from other local and international companies and prevailing market conditions. Executive Directors and employees also participate in bonus arrangements which are determined in accordance with the performance of the Group and the individual's performance.

The model of the Remuneration Committee described in code provision E.1.2 (c)(ii) of the CG Code has been adopted by the Company.

During the Reporting Period, the Remuneration Committee met twice with all members of the committee attended. The work performed by the Remuneration Committee during the Reporting Period included: assessing the performance of Directors and reviewing the remuneration policy and package of the executive Directors and senior management of the Group (including review and approval of matters relating to share schemes under Chapter 17 of the Listing Rules), and reviewing the remuneration of the non-executive Directors.

The remuneration of the Directors and senior management are set out in Notes 8 and 34 to the consolidated financial statements in this annual report.

During the Reporting Period, the Remuneration Committee also reviewed and approved materials matters relating to the Director Conditional Grant to Mr. Zhang, the conditional grant of 10,000,000 share options to Mr. Dong Jiang, and the conditional grant of share options to senior managers (as part of the conditional grant of 123,000,000 share options to employee participants) under the 2024 Share Scheme. In respect of the above-mentioned grants of share options which are not subject to any performance targets, as disclosed in the circular of the Company dated June 11, 2024, the Remuneration Committee (excluding Mr. Andy Xuan Zhang with respect to the grant of share options to himself) is of the view that all such grant of share options is appropriate, aligns with the purpose of the 2024 Share Scheme, and effectively promotes the long-term growth and success of the Group, after taking into account the following factors:

(i) ***Alignment of interests:*** the share options will align the grantees' interests with the long-term interests of the Group and the Shareholders as a whole by increasing grantees' personal stake in the Company. This alignment is expected to motivate the grantees to continue to deliver excellent performance and contribute to the Group's long-term growth and success;

(ii) ***Flexibility in determining basis for grants:*** the number of share options granted is determined based on, among other things, the grantees' effort, past contributions to the Group, and their leadership roles, duties and responsibilities. Each grantee has a different position/role with respect to the Group and will contribute differently to the Group in both nature, duration and significance that may not be easily quantified by traditional performance targets. Providing the Board with more flexibility in setting the terms and conditions of the share options will facilitate the Board's aim to offer meaningful recognition to the leadership, strategic decision-making and other qualitative contributions of the grantees that are vital to the development of the Group and for the benefit of the Group and the Shareholders as a whole;

(iii) ***Market performance dependency:*** the value of the share options is dependent upon the market price of the Shares, which, in turn, depends on the business performance of the Group, to which the grantees would directly contribute, and the grantees will benefit more from the share options if the market price of the Shares increases; and

(iv) ***Other vesting conditions:*** the share options are subject to certain vesting conditions (other than performance targets) and the terms of the 2024 Share Scheme, which include a relatively extended vesting period of four years, and cover situations where the share options will lapse in the event that the grantee ceases to be an employee of the Group.

Save as disclosed above, no material matters relating to share schemes under Rule 17.07A of the Listing Rules were required to be reviewed or approved by the Remuneration Committee during the Reporting Period.

Nomination Committee

The principal duties of the Nomination Committee include:

– reviewing the structure, size and composition of the Board;

– developing and formulating relevant procedures for the nomination and appointment of Directors;

– making recommendations to the Board on the appointment and succession planning of Directors; and

– assessing the independence of independent non-executive Directors.

The two Board policies, namely the diversity policy (the "**Diversity Policy**") and the nomination policy (the "**Nomination Policy**"), which are available in the "Investor Relations" section of the Company's website (www.yixincars.com), were adopted by the Board in January 2018 and December 2018 (and updated in September 2022), respectively. These two policies set out the approach and measurable objectives to achieving diversity of the Board and the approach and procedures that the Board adopts in respect of the nomination and selection of Directors.

The nomination process has been, and will continue to be, conducted in accordance with the Diversity Policy and the Nomination Policy. The Board will from time to time review these policies and monitor their implementation to ensure continuous effectiveness and compliance with the relevant regulatory requirements and good corporate governance practices.

In assessing the Board composition, the Nomination Committee would take into account various aspects as well as factors concerning Board diversity as set out in the Diversity Policy, which is reproduced as follows:

Diversity Policy

– *Vision*

The Company recognizes and embraces the benefits of having a diverse Board to enhance its performance. The Company sees increasing diversity, including gender diversity, at the Board level as an essential element in maintaining its competitive advantage and enhancing its ability to attract, retain and motivate employees from the widest possible pool of available talent.

– *Policy Statement*

The Nomination Committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company's corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the Nomination Committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industrial experience.

– *Measurable Objectives*

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company's business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered.

The Nomination Committee will discuss periodically and when necessary, agree on the measurable objectives for achieving diversity, including gender diversity, on the Board, how and when gender diversity will be achieved in respect of the Board, the numerical targets and timelines set for achieving gender diversity on the Board and the measures adopted to develop a pipeline of potential successors to the Board to achieve gender diversity. The Nomination Committee will make recommendations in relation to the aforesaid to the Board for adoption and consideration. In particular, the Nomination Committee will identify, and make recommendations to the Board to implement programs that will assist in the development of a broader and more diverse pool of skilled and experienced employees that, in time, their skills will prepare them for board positions.

– *Monitoring and Reporting*

The Nomination Committee will monitor the implementation of the Diversity Policy. The Nomination Committee will report annually a summary of the Diversity Policy, the measurable objectives and relevant programs that the Board has adopted for the implementation of the Diversity Policy, the progress made towards achieving these objectives, how and when gender diversity will be achieved in respect of the Board, the numerical targets and timelines set for achieving gender diversity on the Board and the measures adopted to develop a pipeline of potential successors to the Board to achieve gender diversity in the corporate governance report contained in the Company's annual report.

– *Review of the Diversity Policy*

The Nomination Committee will review the Diversity Policy, as appropriate, to ensure the effectiveness of the Diversity Policy. The Nomination Committee will discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

In identifying and selecting suitable candidates for directorships, the Nomination Committee would consider the candidate's character, qualifications, experience, independence and other relevant criteria necessary to complement the corporate strategy and achieve Board diversity, where appropriate, before making recommendation to the Board. Where a retiring Director, being eligible, offers himself or herself for re-election, the Nomination Committee will consider and, if appropriate, recommend such retiring Director to stand for re-election. A circular containing the requisite information on retiring Directors will be sent to the Shareholders prior to the general meeting at which such Directors are to be proposed for re-election, in accordance with the Articles of Association and the Listing Rules.

The Company currently has two female Directors, out of a total of nine Directors. Given the current composition and gender diversity of the Board, the Board is of the view that it is not necessary for the time being to set numerical targets and a specific timeline for achieving gender diversity under the Diversity Policy. Nonetheless, the Board will endeavour to at least maintain female representation on the Board and take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. To develop a pipeline of potential successors to the Board and maintain gender diversity, the Board has adopted and implemented structured recruitment, selection and training programmes at various levels within the Group for the purpose of developing a broader pool of skilled and experienced potential Board members.

As at December 31, 2024, as set out in the section headed "6. Upholding the Concept of Putting People First" in the "ESG Report" as contained in this annual report, among the 4,332 employees (including senior management) of the Group, the percentages of male employees and female employees are 62.12% and 37.88%, respectively. The Board considers that the current gender ratio of the Group's workforce (including senior management) is appropriate for its operations and the Group will aim to continue to maintain gender diversity in its workforce.

The Nomination Committee reviewed the structure, size, and diversity of the Board, to ensure that its composition complies with the Listing Rules and reflects an appropriate mix of skills, experience, and diversity that are relevant to the Company's strategy, governance, and business and contribute to the Board's effectiveness and efficiency. The Nomination Committee considered that an appropriate balance of diversity perspectives of the Board is maintained.

The Company is committed to creating a fair, unbiased, equal and diversified recruitment and working environment. Information about the diversity, including the gender diversity, in the workforce during the Reporting Period are set out in the section headed "6. Upholding the Concept of Putting People First" in the "ESG Report" contained in this annual report.

Nomination Policy

The Nomination Policy sets out the procedure for the selection, appointment and reappointment of Directors containing the selection criteria and the Board succession planning considerations, is reproduced as follows.

Nomination Policy

1. *Objective*

1.1 The nomination committee (the "**Nomination Committee**") of Yixin Group Limited 易鑫集团有限公司 (the "**Company**") shall identify, consider and nominate suitable individuals to the board (the "**Board**") of directors (the "**Directors**") to consider and to make recommendations to the shareholders of the Company (the "**Shareholders**") for election of Directors at a general meeting either to fill a casual vacancy or as an addition to the Board.

1.2 The Nomination Committee shall make recommendations to the Board on the appointment or re-appointment of Directors and succession planning (the "**Succession Planning**") for Directors, in particular, the chairman of the Board and the chief executive officer of the Company.

1.3 The Nomination Committee may, as it considers appropriate, nominate a number of candidates more than the number of Directors to be appointed or re-appointed at a general meeting, or the number of casual vacancies to be filled.

1.4 The Nomination Committee shall ensure that the Board has a balance of skills, experience and diversity of perspectives relevant to the Company's business.

1.5 The ultimate responsibility for selection and appointment of Directors rests with the entire Board.

2. *Selection Criteria*

2.1 The factors listed below would be used as reference by the Nomination Committee in assessing the suitability and the potential contribution to the Board of a proposed candidate:

- Reputation for integrity;
- Professional qualifications and skills;
- Accomplishment and experience in the automobile retail transaction and financing markets;
- Commitment in respect of available time and relevant contribution;
- Independence of proposed independent non-executive Directors; and
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The above factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person to the Board, as it considers appropriate.

3. *Nomination Procedures*

3.1 The Company Secretary shall call a meeting of the Nomination Committee, and invite nominations of candidates from the Board, if any, for consideration by the Nomination Committee prior to its meeting.

3.2 The Nomination Committee shall nominate candidates for the consideration and recommendation of the Board. The Nomination Committee may propose candidates who are not nominated by the Board. The Board shall have the final decision on all matters in relation to its nomination of any candidates to stand for election at a general meeting.

3.3 The candidate nominated by the Board to stand for election at a general meeting (the "**Board Candidate**", together with the Shareholder Candidate defined in paragraph 3.6 below, the "**Candidate**") will submit the necessary personal information, together with his/her written consent to be elected as a Director and to the publication of his/her personal information for the purpose of or in relation to his/her standing for election as a Director. The Nomination Committee may request the Board Candidate to provide additional information and documents, if considered necessary.

3.4 A circular will be sent to the Shareholders (the "**Shareholder Circular**") as to provide information of the Board Candidate, and to invite nominations from the Shareholders. The Shareholder Circular will include (i) the period for lodgment (the "**Lodgment Period**") of nominations by the Shareholders; (ii) the personal information of the Board Candidate as required by the applicable laws, rules and regulations, inter alia, name, brief biographies (including qualifications and relevant experience), independence, proposed remuneration.

3.5 Until the issue of the Shareholder Circular, the Board Candidate shall not assume that he/she has been nominated by the Board to stand for election at the general meeting.

3.6 A Shareholder can serve a notice (the "**Notice**") to the Company Secretary within the Lodgment Period to propose a resolution to elect another person (the "**Shareholder Candidate**") other than the Board Candidate as a Director. The Notice (i) must include the personal information of the Shareholder Candidate as required by Rule 13.51(2) of the Listing Rules; and (ii) must be signed by the Shareholder concerned and signed by the Shareholder Candidate indicating his/her consent to be elected and to the publication of his/her personal information for the purpose of or in relation to his/her standing for election as a Director. The particulars of the Shareholder Candidate will be sent to the Shareholders for information by a supplementary circular.

3.7 The Candidate is allowed to withdraw his/her candidature at any time before the general meeting by serving a notice in writing to the Company Secretary.

3.8 The resolution for election of Directors for the Shareholder Candidate shall take the same form as for the Board Candidate.

4. *Succession Planning*

4.1 The objectives of the Succession Planning are to ensure an effective and orderly succession of Directors and to maintain the balance of diversity, collective knowledge and skills of the Board necessary for the effective governance of the Company.

4.2 The following considerations will be used by the Nomination Committee in making recommendations for the Succession Planning:

- Required knowledge, skills and experience at a full Board composite level to effectively fulfill the Board's legal role and responsibilities;
- An appropriate balance of diversity across the Board, as set out in Section 2.1 and Section 4 of the Nomination Policy;
- Personal qualities of each candidate with reference but not limited to the factors listed in Section 2.1 of the Nomination Policy;
- Continuity through a smooth succession of Directors; and
- Compliance with the relevant legal and regulatory requirements.

4.3 The above considerations are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee will review the Succession Planning together with the Board periodically, and recommend revisions, if any, to the Board for consideration and approval.

5. *Confidentiality*

Unless required by law or any regulatory authority, under no circumstances shall a member of the Nomination Committee or an employee of the Company disclose any information to or entertain any enquiries from the public with regard to any nomination or candidature before the Shareholder Circular, as the case may be, is issued. Following the issue of the Shareholder Circular, the Nomination Committee or the Company Secretary or other employee of the Company approved by the Nomination Committee may answer enquiries from the regulatory authorities or the public but confidential information regarding nominations and the Candidate should not be disclosed.

6. *Monitoring and Reporting*

The Nomination Committee will monitor the implementation of the Nomination Policy and report annually a summary of the Nomination Policy including the nomination procedures, criteria for selection, the board diversity policy and the progress made towards achieving the objectives set in the Nomination Policy in the company's corporate governance report contained in the Company's annual report.

7. *Review of the Nomination Policy*

In order to ensure the Nomination Policy remains relevant to the Company's needs and reflects both regulatory requirements and good corporate governance practice, the Nomination Committee will review the Nomination Policy as appropriate and recommend revisions, if any, to the Board for consideration and approval.

During the Reporting Period, the Nomination Committee met once with all members of the committee attended to review the structure, size and composition of the Board, the independence of the independent non-executive Directors, the Diversity Policy, and the Nomination Policy as well as to consider and make recommendations to the Board on the qualifications of the Directors standing for re-election at the annual general meeting of the Company held in 2024.

Corporate Governance Functions

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code.

The Board had reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Company's Securities Dealing Code, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

BOARD MEETINGS

The attendance records of the Directors at Board meetings, Audit Committee meetings, Remuneration Committee meetings, Nomination Committee meetings and the general meetings held during the Reporting Period are as follows:

Directors	Board	Audit Committee	Remuneration Committee	Nomination Committee	Annual General Meeting	Extraordinary General Meeting
Executive Directors						
Mr. Andy Xuan Zhang	5/5	N/A	2/2	1/1	1/1	0/1
Mr. Rodney Ling Kay Tsang[2]	N/A	N/A	N/A	N/A	N/A	N/A
Mr. Dong Jiang	4/5	N/A	N/A	N/A	1/1	1/1
Non-executive Directors:						
Mr. Qing Hua Xie	5/5	N/A	N/A	N/A	0/1	1/1
Mr. Qin Miao[1]	5/5	N/A	N/A	N/A	1/1	1/1
Ms. Amanda Chi Yan Chau	4/5	N/A	N/A	N/A	1/1	0/1
Independent Non-executive Directors:						
Mr. Tin Fan Yuen	5/5	3/3	2/2	N/A	1/1	1/1
Mr. Chester Tun Ho Kwok	5/5	3/3	N/A	1/1	1/1	1/1
Ms. Lily Li Dong	5/5	3/3	2/2	1/1	1/1	0/1
Mr. Henry Chi Hung Yim[3]	N/A	N/A	N/A	N/A	N/A	N/A

1 resigned as a non-executive Director on January 13, 2025.
2 appointed as an executive Director on February 27, 2025.
3 appointed as an independent non-executive Director and a member of the Audit Committee on February 27, 2025

In addition, a meeting between the Chairman and the independent non-executive Directors without the presence of other Directors was held.

DIVIDEND POLICY

The dividend policy adopted by the Company (the "**Dividend Policy**"), which outlines the factors that should be taken into account in determining any dividend for distribution to the Shareholders, is reproduced as follows.

Dividend Policy

Subject to the Cayman Islands Companies Law and the articles of association (as amended from time to time) of Yixin Group Limited (the "**Company**"), the board (the "**Board**") of directors (the "**Directors**") of the Company has absolute discretion on whether to distribute dividends. In addition, the shareholders of the Company (the "**Shareholders**") may by ordinary resolution declare dividends in any currency, but no dividend may be declared in excess of the amount recommended by the Board. In either case, a dividend may only be declared and paid out of the profits and reserves of the Company lawfully available for distribution including share premium, and in no circumstances may a dividend be paid if this would result in the Company being unable to pay its debts as they fall due in the ordinary course of business. Even if the Board decides to pay dividends, the form, frequency and amount of dividends will depend upon the Company's future operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions and other factors that the Board considers relevant.

Any future dividend payments to the Shareholders will also depend upon the availability of dividends received from our subsidiaries and our consolidated affiliated entities. Regulations in China may restrict the ability of our Chinese subsidiaries and consolidated affiliated entities to pay dividends to the Company.

If the Company pays any dividends on the Shares, unless and to the extent that the rights attached to the Shares, or the terms of issue thereof otherwise provide, (i) all dividends will be declared and paid according to the amounts paid up on the Shares in respect of which the dividend is paid, but no amount paid up on Shares in advance of calls may for this purpose be treated as paid up on the Shares; and (ii) all dividends will be apportioned and paid pro rata according to the amounts paid up on the Shares during any portion or portions of the period in respect of which the dividend is paid. The Directors may deduct from any dividend or other monies payable to any of the Shareholders all sums of money (if any) presently payable by such Shareholders to the Company on account of calls, installments or otherwise.

This dividend policy will continue to be reviewed from time to time and there can be no assurance that dividends will be paid in any particular amount, if at all, for any given period.

ANTI-CORRUPTION POLICY AND WHISTLEBLOWING POLICY

The Group has established (i) policy and measures that promote and support anti-corruption laws and regulations; and (ii) whistleblowing policy and measures for employees, suppliers and business partners to raise concerns, in confidence and anonymity, with the Audit Committee about possible improprieties in any matter related to the Group. For further details of the Group's anti-corruption and whistleblowing policy and/or measures, please refer to the section headed "4. Strengthening Management and Standardizing Operation" of the "ESG Report" contained in this annual report.

RISK MANAGEMENT AND INTERNAL CONTROLS

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems. The Board oversees risk management functions directly and also through the Audit Committee and the senior management, and will assess the effectiveness of the risk management and internal control systems at least once a year.

The senior management is responsible for the overall implementation of risk management and internal control plans and policies determined by the Board and managing the risks in connection with all of the Company's business operations. The senior management identifies, assesses and takes measures against any significant risks that the Company is facing, and reviews the risk assessment report on a quarterly basis and reports to the Board on a semi-annual basis.

The Audit Committee assists the Board in leading the management and monitoring and overseeing the risk management and internal control systems through the internal audit department, and reporting and making recommendations to the Board where appropriate.

The internal audit department oversees the risk management and internal control systems under the supervision of the Audit Committee by performing independent audit on the effectiveness and completeness of the risk management and internal control systems. It identifies any material risks and makes recommendations on the improvement and rectification plans and measures and conducts follow-up audits with regard to the identified issues to ensure that the planned remedial measures have been duly implemented. The internal audit department operates independently from the Company's business centers and departments and directly reports the audit findings and follow-up status to the Audit Committee on a quarterly basis.

Disclosure of Inside Information

The Company has developed its disclosure policy which provides a general guide to the Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries.

Control procedures have been implemented to ensure that unauthorized access and use of inside information are strictly prohibited.

Continuing Connected Transactions

The Company has put in place appropriate policies and procedures to monitor and ensure its continuing connected transactions are entered into and conducted in accordance with the terms of the relevant agreements and the requirements of the Listing Rules.

Reference is made to the Prospectus in relation to the following internal control procedures adopted by the Group for the continuing connected transactions of the Company:

(a) No member of the Group shall conduct any connected transactions, (i) which are either not on arm's length terms or (ii) which are on arm's length terms but are in excess of 5% of the Group's net assets or if aggregated with all other connected transactions in the same fiscal year will exceed 20% of annual budgeted revenue of the Group for the fiscal year, without the affirmative consent or approval by the majority of the Directors. For further details, see the section headed "History and Corporate Structure – Pre-IPO Investments" of the Prospectus.

(b) The Company has established internal control mechanisms to identify connected transactions. If the Group enters into connected transactions with the Controlling Shareholders or any of their associates, the Company will comply with the applicable Listing Rules. For further details, see the section headed "Relationship with Our Controlling Shareholders – Corporate Governance Measures" of the Prospectus.

The Group has adopted clear pricing policies and guidelines for its continuing connected transactions and procedures for determining the price and terms of the transactions in accordance with such pricing policies and guidelines. For purchases of products or services, the operations department of the Group would obtain quotations for comparable products or services from not less than two independent third parties as well as from the connected person in question; it would then carry out an analysis of the options available taking into account a range of factors, such as the pricing, payment terms, expertise, capabilities and reputation of the suppliers and the Group's past business experience with the suppliers (if any); the results of such analysis would be reported to the senior management of the Group; the senior management would then form a view as to which option is most favourable to the Group and would then report its findings to the Board for approval. For sales of products or services, the Group either applies pricing more favourable to the Group to a connected person as compared to the pricing offered to other customers or charges the market price. To assess the market price, the operations department of the Group would obtain pricing for comparable products or services from not less than two independent third parties. In any case, the pricing and terms of a continuing connected transaction must be no less favourable to the Group than those available to or from independent third parties, fair and reasonable and in the interest of the Shareholders and the Company as a whole. No agreement for any continuing connected transaction would be entered into unless with prior approval of the senior management of the Group and the Board. The Company confirms that it has followed its pricing policies and guidelines when determining the price and terms of its continuing connected transactions conducted during the Reporting Period.

The legal and compliance department and the financial management department of the Group will also review the terms of any proposed new continuing connected transaction or any existing continuing connected transaction proposed to be renewed to ensure compliance with the Listing Rules. None of such agreements would be entered into unless with prior approval of the legal and compliance department, the financial management department and senior management of the Group and the Board.

The legal and compliance department and the financial management department of the Group will summarize the transaction amounts incurred under the Group's continuing connected transactions regularly on a monthly basis and report to the senior management of the Group. The senior management and the relevant departments of the Group will be informed of the status of the continuing connected transactions in a timely manner such that the transaction amounts can be conducted within the relevant annual caps (if applicable). In addition, the independent non-executive Directors will conduct an annual review of the implementation of the continuing connected transactions. The Company will also engage its external auditors to conduct annual review of the continuing connected transactions in accordance with the requirements under the Listing Rules.

The Group will regularly examine the pricing of its continuing connected transactions to ensure that such transactions are conducted in accordance with the pricing terms thereof, including reviewing the historical transaction records of the Group for similar services and arrangements with other independent third party for similar services.

Risk Management

The Company has established a risk management system which sets out the roles and responsibilities of each relevant party as well as the relevant risk management policies and processes. The Company, on a regular basis, identifies and assesses risk factors that may negatively affect the achievement of its objectives, and formulates appropriate response measures.

The Company has adopted the following dynamic risk management process in response to the ever-changing risk landscape:

- Business and functional departments identify, assess and respond to risks in the course of operation in a systematic manner, escalating concerns and communicating results to the senior management;

- The significant risks at the company level as well as the relevant risk response strategies and control measures will be reviewed by senior management and subsequently by the Audit Committee before reporting to the Board;

- The internal audit department reviews and evaluates the responses to significant risks from time to time, and reports to the Audit Committee at least once a year; and

- The Audit Committee, on behalf of the Board, assesses and determines the nature and level of the risks that the Company is willing to take in order to achieve its business objectives and formulates appropriate response strategies which includes designating responsible departments for handling each significant risk. The Audit Committee provides guidance to the Company's management to implement effective risk management system with supports from the internal audit department.

Internal Control

The Company has always valued the importance of the internal control systems, and has complied with the requirements under Appendix C1 (Corporate Governance Code) and Appendix D2 (Disclosure of Financial Information) of the Listing Rules.

The management of the Company is responsible for the design, implementation and maintenance of the effectiveness of the internal control systems. The Board, assisted by the Audit Committee, is responsible for monitoring and overseeing the performance of management over the internal control system to ensure that it is appropriate and effective.

The Company's internal control systems clearly define the roles and responsibilities of each party as well as the authorizations and approvals required for key actions of the Company. Policies and procedures are put in place for the key business processes. This information is also clearly conveyed to employees of the Company in practice and plays an important role in the internal control systems. All employees must strictly follow the policies which cover, amongst other things, financial, legal and operational issues that set the control standards for the management of each business process.

In addition, the internal audit department supervises the establishment of the risk management and internal control systems set up by management, ensures that management has implemented appropriate measures and reports the general situation of risk management and internal control of the Company to the Audit Committee on a quarterly basis. The internal audit department also conducts objective evaluation on the effectiveness of the Company's risk management and internal control systems and reports the results to the Audit Committee.

Effectiveness of Risk Management and Internal Control

The Audit Committee, on behalf of the Board, continuously reviews the risk management and internal control systems.

The review process comprises, among other things, of meetings with management of business and functional departments, internal audit department, legal and compliance department, and the external auditors, reviewing the relevant work reports and information of key performance indicators, internal audit department and external auditors' assessment on internal control and discussing the major risks with the senior management of the Company.

The Board is of the view that throughout the Reporting Period, the risk management and internal control systems of the Group are effective and adequate.

In addition, the Board believes that the Company's accounting and financial reporting functions have been performed by staff with appropriate qualifications and experience and that such staff receive appropriate and sufficient training and development. Based on the work report from the Audit Committee, the Board also believes that the Company's internal audit and financial reporting functions are adequate with sufficient resources and budget. The relevant staff have appropriate qualifications and experience, and receive sufficient training and development.

The management has confirmed to the Board and the Audit Committee on the effectiveness of the risk management and internal control systems for the Reporting Period.

The Board, as supported by the Audit Committee as well as the management report and the internal audit findings by the internal audit department, reviewed the risk management and internal control systems, including the financial, operational and compliance controls, for the Reporting Period, and considered that such systems are effective and adequate. The annual review also ensured the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting financial reporting and internal audit functions as well as those relating to the Company's ESG performance and reporting.

Arrangements are put in place to facilitate employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the Reporting Period.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern.

The statement of the independent auditor of the Company about their reporting responsibilities on the financial statements is set out in the section headed "Independent Auditor's Report" of this annual report.

RELATIONSHIP WITH CONTROLLING SHAREHOLDERS

The Company has adopted various measures to safeguard good corporate governance standards and to avoid potential conflict of interests between the Group and the Controlling Shareholders. For details of the measures adopted, please refer to the section headed "CORPORATE GOVERNANCE MEASURES" of the Prospectus.

The independent non-executive Directors have conducted an annual review and nothing has come to their attention that there is any conflict of interests between the Group and our Controlling Shareholders.

The Directors are satisfied that sufficient corporate governance measures have been put in place to manage conflict of interests that may arise between the Group and the Controlling Shareholders, and to protect the interests of minority Shareholders.

AUDITOR'S REMUNERATION

The remuneration paid/payable to the Auditor, in respect of audit services and non-audit services for the Reporting Period is set out below:

Service Category

	Fees Paid/Payable	
	2024	2023
	RMB'000	*RMB'000*
Audit Services	**6,566**	6,980
Non-audit Services	**1,338**	580
Total	**7,904**	7,560

The statement of the Auditor about their reporting responsibilities for the consolidated financial statements is set out in the section headed "Independent Auditor's Report" of this annual report. During the Reporting Period, the remuneration paid/payable to the Auditor was disclosed in Note 7 to the consolidated financial statements. The audit and audit-related services conducted by the Auditor mainly comprised statutory audits and reviews for the Group and certain of its subsidiaries, and the reporting on continuing connected transactions. The non-audit services conducted by the Auditor mainly included professional services, including ESG consulting service and service related to risk management review.

COMPANY SECRETARY

The selection, appointment and dismissal of the Company Secretary is subject to approval by the Board in accordance with the Articles of Association and CG Code. The Company Secretary, Mr. Man Wah Cheng, is an employee of the Company, reports to the Chairman and Chief Executive Officer and is responsible for facilitating the Board's processes and communications among Board members, with the Shareholders and with the management of the Company. All Directors have access to the advice and services of the Company Secretary and independent professional advice may be sought by the Directors if required to ensure that the Board procedures, and all applicable law, rules and regulations, are followed.

According to Rule 3.29 of the Listing Rules, Mr. Cheng took no less than 15 hours of the relevant professional training during the year ended December 31, 2024.

SHAREHOLDERS' RIGHTS

The Company engages with Shareholders through various communication channels and a Shareholders' Communication Policy is in place to ensure that Shareholders' views and concerns are appropriately addressed.

The Shareholders' Communication Policy was introduced in 2018, which is available on the Company's website (http://www.yixincars.com/en/page_governance_en.html) and sets out the Company's commitment to maintaining an effective ongoing dialogue with Shareholders.

In summary, the Shareholders' Communication Policy aims to ensure that, among others, the Shareholders are provided with ready, equal, regular and timely access to material information about the Company in order to maintain an on-going dialogue with the Shareholders and to enable the Shareholders to exercise their rights in an informed manner.

The Company communicates information to the Shareholders through different channels, including, among others, its periodical financial announcements and reports, annual general meetings and other general meetings (if any), all the disclosures submitted to the Stock Exchange and its corporate communications and other publications on the Company's website.

The mechanisms utilised by the Company for communication of information with the Shareholders include (i) communication through the Shareholders' enquiries; (ii) corporate communications with the Shareholders in the language and means chosen by the Shareholders; (iii) posting of relevant information on the Company's website; (iv) communication at the Shareholders' meetings; and (v) investment market communications, such as investor/analysts briefings and one-on-one meetings, roadshows, media interviews, marketing activities for investors and specialist industry forums. Shareholders may also at any time make a request for the Company's publicly available information through the Company's email address and enquiry hotlines.

To ensure that general meetings of the Company provides a useful forum for Shareholders to exchange views with the Board, the Shareholders' Communication Policy provides that, among other things, the Company shall provide the Shareholders with relevant information on the resolution(s) proposed at the meeting in a timely manner in accordance with the Listing Rules. In addition, the chairman of the Board or his delegates, other Board members, the chairmen of the Board committees, appropriate management executives and external auditors will attend general meetings to answer the Shareholders' questions. The Company will also monitor and review the process of its general meetings on a regular basis, and, if necessary, make changes to ensure that the Shareholders' needs are best served.

The ESG Committee is responsible for regularly reviewing the implementation and effectiveness of the Shareholders' Communication Policy. Following the annual review on the Shareholders' and investors' engagement and communication activities of the Group, the ESG Committee was satisfied with the implementation and effectiveness of the Shareholders' Communication Policy, which enables the Company to carry out effective two-way communication with its investors and shareholders by way of regular meetings and timely updates of the Company's financial results and developments. All communications between the Company and the Shareholders will need to abide by the applicable laws and regulations.

To safeguard Shareholders' interests and rights, separate resolution should be proposed for each substantially separate issue at general meetings, including the election of individual Director. All resolutions put forward at general meetings will be voted on by poll pursuant to the Listing Rules and poll results will be posted on the websites of the Company and the Stock Exchange after each general meeting.

Right to Call an Extraordinary General Meeting by Shareholders

Pursuant to Article 12.3 of the Articles of Association, general meetings shall be convened on the written requisition of any one or more members (including a recognized clearing house (or its nominees)) holding at the date of deposit of the requisition not less than one-tenth of the voting rights at general meetings (on a one vote per share basis) in the share capital of the Company deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionists, provided that such requisitionists held as at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company which carries the right of voting at general meetings of the Company. If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Putting Forward Proposals at General Meetings

There are no provisions in the Articles of Association or in the Cayman Companies Law for putting forward proposals of new resolutions by Shareholders at general meetings. Shareholder(s) who wish to move a resolution may request the Company to convene an extraordinary general meeting in accordance with the procedures set out in the preceding paragraph. For proposing a person for election as a Director, please refer to the "Procedures for Shareholders to Propose a Person for Election as a Director of the Company" posted in the "Investor Relations" section of the Company's website (www.yixincars.com).

Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, Shareholders may send written enquiries to the Company. The Company will not normally deal with verbal or anonymous enquiries.

Contact Details

Shareholders and the investment community may send their enquiries or requests for publicly available information of the Company as mentioned above to the following:

Address: Yixin Building
1 North, Zhongguancun Hongqiao Innovation Center
365 Linhong Road, Changning District
Shanghai, China

For the attention of the Head of Investor Relations

Email: ir@yixincars.com

Any shareholding matters, such as transfer of Shares, change of name or address, and loss of Share certificates should be address in writing to the Hong Kong Share Registrar:

Computershare Hong Kong Investor Services Limited

Address: 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong
(for change of name or address and loss of Share certificates)
Address: Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong
(for transfer of Shares)
Telephone: (852) 2862 8628
Facsimile: (852) 2865 0990/2529 6087

For the avoidance of doubt, Shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above addresses and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

INVESTOR RELATIONS

The Company considers that effective communication with Shareholders is essential for enhancing investor relations and investor understanding of the Group's business performance and strategies. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. The chairman of the Board and other Board members, in particular, the chairmen of Board committees (or their delegates as appropriate), appropriate management executives and external auditor will use all reasonable endeavours to attend annual general meetings and to answer enquiries of Shareholders.

The Memorandum and Articles of Association is available on the websites of the Company (www.yixincars.com) and the Stock Exchange (www.hkexnews.hk). During the Reporting Period, the Company has amended its Memorandum and Articles of Association, details of the amendments are set out in the circular of the Company dated March 11, 2024.

1. ABOUT THIS REPORT

The Environmental, Social and Governance (hereinafter referred to as the "ESG") Report for the year of 2024 (hereinafter referred to as the "ESG Report" or "this Report") is prepared and released by Yixin Group Limited (hereinafter referred to as "Yixin", "Yixin Group" or the "Company" or "we" or "us" or "our"), with a view to reflecting the latest efforts of Yixin Group in sustainable development in an objective and fair manner. Readers are advised to read this Report together with the section headed "Corporate Governance Report" in the annual report.

Scope of reporting

Unless otherwise stated, the scope of this Report covers the operating units of Yixin Group and its subsidiaries in mainland China, and the information and data set out in this Report cover the period from January 1, 2024 to December 31, 2024 (hereinafter referred to as the "Year" or the "Reporting Period"). During the process of identifying the scope of the ESG Report, we performed assessment and analysis on the scope of disclosure of the ESG Report based on the principle of operational control and etc. There has been no change in the reporting scope of this Report compared to the ESG report of Yixin Group for the previous year. All the amounts disclosed in this Report are denominated in RMB.

Basis of preparation

This Report was prepared by the Company in strict compliance with the "Environmental, Social and Governance Reporting Guide" contained in Appendix C2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the "ESG Reporting Guide") that was in force during the Reporting Period, having complied with the mandatory disclosure requirements and "comply or explain" provisions thereunder so as to ensure its comprehensiveness and accuracy.

Reporting principles

Principle of "materiality": Key stakeholders and their ESG issues of concern have been identified in the preparation of this Report and targeted disclosures have been made in this Report based on the relative importance of their issues of concern. For details of the materiality assessment, please refer to the section headed "SUSTAINABILITY MANAGEMENT – Materiality assessment" in this Report.

Principle of "quantitativeness": This Report presents the key performance indicators relating to environmental and social aspects using quantitative information. The measurement standard, methodologies, assumptions and/or calculation tools and sources of conversion factors used for the key performance indicators in this Report have been illustrated where appropriate.

Principle of "balance": This Report presents Yixin Group's performance in an unbiased manner, avoiding choices, omissions or presentation formats that might inappropriately influence the decisions or judgments of the readers of this Report, and presenting an objective view of Yixin Group's ESG performance and current state of management.

Principle of "consistency": This Report uses consistent data statistics methods comparable to those in the ESG report of Yixin Group for the previous year.

2. SUSTAINABILITY MANAGEMENT

(1) Board statement

The board of directors of the Company (hereinafter referred to as the "Board") attaches great importance to ESG governance and has established an ESG management system featuring responsibility by the Board, organization by the management and inter-departmental cooperation and linkage. Being the highest level of authority within the Company responsible for the ESG matters and decision-making, the Board supervises and participates in the entire process of the ESG issues and assumes full responsibility for the Company's ESG strategy development and reporting.

Supervision over the ESG affairs: The Board has incorporated the ESG affairs into the Company's governance structure, and through the establishment of an Environmental, Social and Governance Committee (the "ESG Committee"), it regularly listens to and reviews reports on the progress of ESG work and provides guidance on ESG work guidelines. The management is responsible for the specific implementation of ESG strategies and objectives, and at the same time regularly reports to the ESG Committee on major issues relating to its work. During the Year, the Board has reviewed and approved the latest ESG Report to fully demonstrate the results of the Company's efforts and progress made in the ESG aspects.

ESG management guideline and policy: The Board integrates ESG concepts into the management system and daily operations, and prioritizes and manages ESG-related matters and internal and external risks based on macro policy analysis, internal strategic planning and communication with stakeholders. By specifying the key aspects and management guidelines and policies of ESG governance, the Board continuously improves and promotes the execution and optimization of ESG-related work.

ESG topic assessment: During the Reporting Period, the Board has participated in the materiality assessment and prioritization of key ESG topics. Through surveys and other means, directors provided their views and suggestions regarding ESG topics that could potentially impact the Company's long-term sustainable development and evaluated the priorities of such topics. Please refer to the section headed "SUSTAINABILITY MANAGEMENT – Materiality assessment" in this Report for more information.

Review on the ESG targets: The Board continuously enhances the supervision over the Company's ESG governance and increases its engagement efforts. The Company has set business-related annual environmental targets, and the Board has reviewed and discussed the establishment of the targets and reviewed the fulfillment of the environmental targets of the previous year.

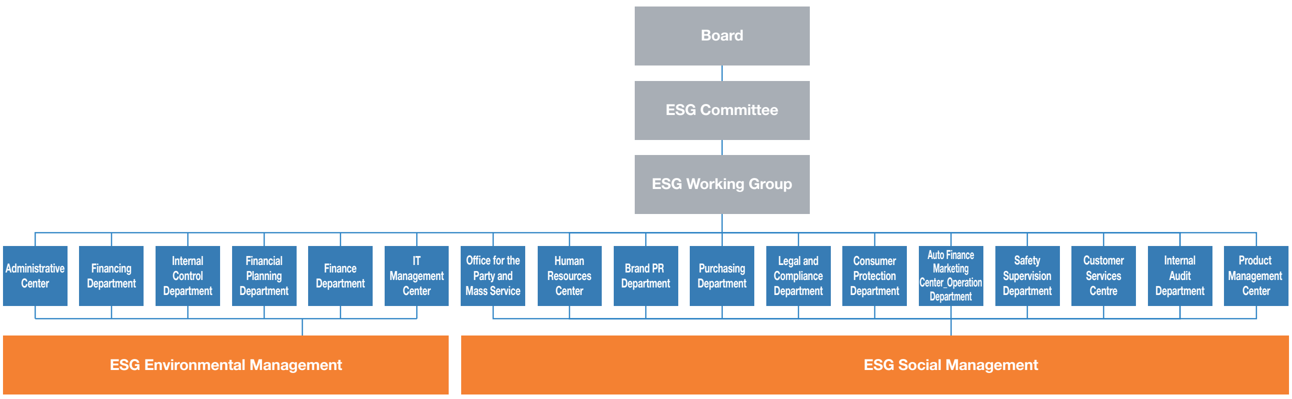
This Report discloses in detail the progress and effectiveness of the Company's ESG efforts for the Year, and this Report has been reviewed and approved by the Board on February 27, 2025.

(2) ESG governance structure

The Company has established a top-down ESG governance structure, having had set up a set of ESG management mechanism featuring "supervision by the Board, implementation by the management and inter-departmental linkage" and has continuously strengthened the foundation of the ESG management system. The Company has established the ESG Committee, comprising three members of the Board and the Chief Financial Officer of the Company, which is chaired by Mr. Andy Xuan Zhang, an Executive Director and the Chief Executive Officer and the Chairman of the Board. The primary responsibilities of the ESG Committee include reviewing and monitoring the ESG policies and practices of the Company to ensure compliance with relevant laws and regulatory requirements, monitoring and responding to new ESG-related issues, and providing ESG recommendations to the Board in a timely manner, so as to improve the sustainable development performance of the Company.

Meanwhile, the Company has in place an ESG Working Group composed of relevant department heads, which is primarily responsible for the implementation and promotion of ESG-related efforts. We have further specified and clarified the respective ESG management responsibilities for each department during the Year. By virtue of compliance with the requirements of the ESG Reporting Guide of the Hong Kong Stock Exchange and in combination with our business development strategies, we have continued to enhance our level of ESG management and improve our ESG management organizational structure.

Structure Chart



(3) Communication with stakeholders

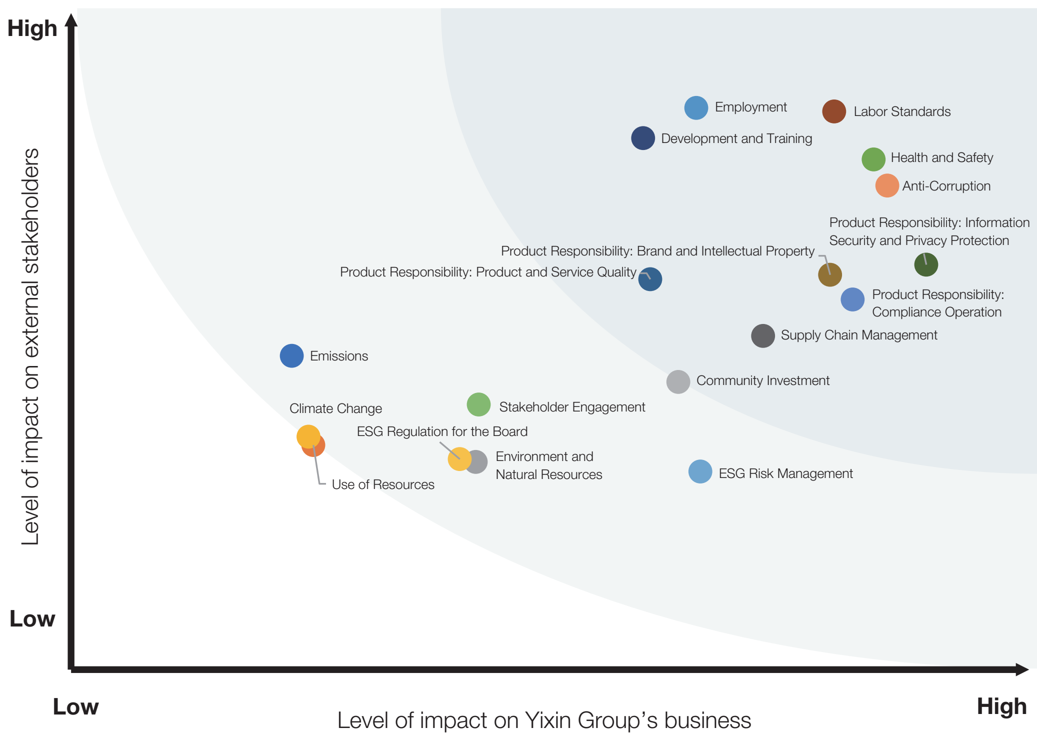
Stakeholder engagement is an integral part of the Company's ESG management and day-to-day operations, and is crucial for the Company to examine potential ESG risks and opportunities. By understanding stakeholders' expectations of corporates and the key ESG issues they concern, the Company is able to formulate strategies and respond effectively in a focused manner. Therefore, based on the results of communication with key stakeholders and our own business characteristics, the key ESG issues that our stakeholders concern and the main communication channels are listed as follows:

Key stakeholders	ESG issues of concern	Main communication channels
Government, regulatory authorities, policy-making authorities, professional associations or chambers of commerce	Compliance operations Corporate governance Emissions Climate change	Information disclosure Regulatory meetings Incident reports Policy consultations
Shareholders, investors and professional investment institutions	Climate change Intellectual property Anti-corruption	Investor seminars Corporate announcements and circulars Investor relations columns
Directors, supervisors and senior management	Anti-corruption Intellectual property	Board of directors Internal meetings such as office meetings Questionnaires
Employees	Employment of staff Employee health and safety Employee development and training Labor standards	Internal meetings for employees Social media Employee activities Questionnaires
Suppliers and other business partners	Supply chain management Anti-corruption	Emails and phone calls On-site inspections Strategic cooperation

Key stakeholders	ESG issues of concern	Main communication channels
News media	Community investment Customer service	Exchanges via results conference Communication via press releases
Customers	Customer service Information security	Customer complaint hotline Customer services centre Questionnaires
Non-profit organizations, charitable or community organizations	Community investment	Charitable activities Community interactions

(4) Materiality assessment

In 2024, in order to further understand the views and suggestions of various stakeholders on the environment, society and governance matters, the Company obtained the opinions and expectations of stakeholders on the Company's response to environmental, social and governance issues through various channels such as questionnaire surveys. Combining the above with our own strategy and business priorities, we have conducted a materiality assessment on the 11 major indicators (subdivided into 18 ESG issues) listed in the ESG Reporting Guide and determined the relative importance of ESG issues through mapping materiality matrix, the results of which are as follows:



The Company has identified topics of high importance, namely, "Labor Standards", "Health and Safety", "Anti-Corruption", "Employment", "Development and Training", "Product Responsibility – Information Security and Privacy Protection", "Product Responsibility – Brand and Intellectual Property", "Product Responsibility – Compliance Operation", "Product Responsibility – Product and Service Quality" and "Supply Chain Management"; topics of medium importance include "Community Investment", "ESG Risk Management", "Stakeholder Engagement", "Environment and Natural Resources", "ESG Regulation for the Board" and "Emissions"; related topics include "Climate Change" and "Use of Resources". We will elaborate on the above topics in each section of this Report.

3. ENSURING THE QUALITY OF PRODUCTS AND SERVICES

Committed to providing high-quality products and services, the Company has always adhered to the principle of providing more convenient, safer and efficient solutions. We strictly abide by relevant laws and regulations such as the "Law on the Protection of Consumer Rights and Interests of the PRC" to ensure the legality and standardization of all business operations. In the course of our business development, we proactively comply with the "Administrative Measures for Automobile Finance Companies", the "Administrative Measures on Automobile Financing", the "Provisional Rules on Leasing Companies for Financing Purpose" and the supervisory and administrative measures or implementation rules for financial leasing companies issued by local financial supervisory authorities to promote the healthy development of automobile finance business. At the same time, we attach great importance to customer feedback and strive to continuously improve our service system and strengthen our in-house innovation, thus meeting customers' evolving needs and diversified expectations and contributing to the development of the industry. We believe that by virtue of our continuous efforts and improvement, we can provide our customers with more convenient, safer and efficient automobile finance service and become an automobile finance trading platform which is the first choice for customers.

(1) Elevating service standards

The Company dedicates itself to forging efficient, convenient and high-quality service experience, focusing on improving service quality, promoting teamwork and driving continuous improvement to continuously meet and exceed customers' expectations. We implement a standardized management system to pursue the stability and reliability of services, clearly define service objectives and standards, and establish effective communication mechanisms and training systems to ensure that each employee has clear responsibilities and is collaborative and efficient. In order to accurately improve the quality of customer services, we proactively conduct user satisfaction surveys to gain an in-depth understanding of user reviews and identify weaknesses in our services, and formulate and implement improvement strategies accordingly. At the same time, we attach great importance to the cultivation of employees' service capabilities, and enhance their service awareness and skill level through regular training. In addition, we have put in place an incentive and reward system to encourage our staff to pay active attention to customer needs and provide quality services, and to recognize and reward outstanding staff for their outstanding performance in customer services

During the Year, we carried out important iterative upgrades to the quality inspection process of our products and services. We leveraged AI technology to conduct a full-scale quality inspection to ensure the service quality of our 630,000 calls throughout the Year, laying a solid foundation for improving our service quality. At the same time, we have further refined our standardized terminology and added courtesy words and expressions to enhance the professionalism and friendliness of customer communication.

In addition, we continue to explore the introduction of AI quality check functionality in more quality control processes. The AI quality inspection function will comprehensively cover multiple key dimensions during the call, including speech intelligibility, intonation, speech speed, keyword capture, business process compliance, and vocabulary standardization. Through these meticulous quality control points, we are able to ensure the service quality of our call centers in all aspects, so that every customer can enjoy a high standard of service experience.

Case study: Case: Promoting the intelligent customer service project and improving service efficiency

The continuous growth of business scale and the gradual diversification and personalization of customer needs have brought great challenges to the customer service, and the Customer Service Center Department actively cooperates with the Technology Department to promote the intelligent customer service project solution, as follows:

(1) The Weixin mini program (the "**Mini Program**") provides a 24-hour question-and-answer robot that uses AI technology to identify customers' real-time order status and provide accurate self-services to meet the needs of consultation anytime, anywhere. Average monthly inquiries reached 75,000+.

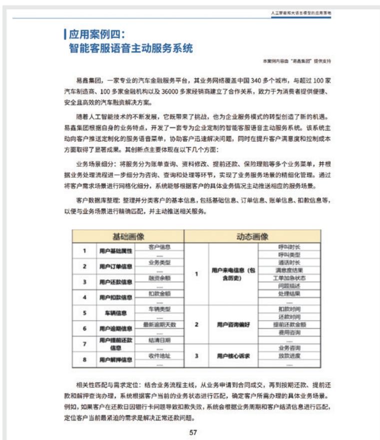
(2) The 400 customer service hotline provides 24-hour voice self-service, using AI technology to identify customers' real-time order status and provide accurate self-service. During the Year, the utilization rate of IVR channel for 400 hotline increased by 4% compared with that of last year, cutting back on the number of incoming manual queues by 360 calls per day and saving 4 manpower for connecting lines.

(3) The 400 customer service hotline dedicated line initiative service project was launched. This function accurately predicts the customer's call intention through intelligent analysis of the customer's current order status. For example, it provides reminders that the prepayment will soon expire, broadcasts the reasons for and solutions of the failure of the deduction, and that the release address is unconfirmed, etc. delivering a proactive service experience that exceeds expectations when the customer accesses the service. Our innovative practice has not only improved customer satisfaction, but also won wide recognition in the industry. This project case has been included in the 2024 Customer Service Industry White Paper, which is displayed and promoted as an exemplary case in the industry.

2024年中国客户联络中心行业发展

白皮书

指导单位：中国信息协会
中国国际贸易促进委员会商业行业委员会
发布单位：客户观察
中国信息协会客户联络中心分会
中国国际商会商业行业商会客户服务专业委员会
才博数智服务机构
编写单位：客户观察



人工智能和大语言模型的应用落地

应用案例四：
智能客服语音主动服务系统

本案例内容由"易鑫集团"提供支持

易鑫集团，一家专业的汽车金融服务平台，其业务网络覆盖中国340多个城市，与超过100家汽车制造商、100多家金融机构以及36000多家经销商建立了合作关系，致力于为消费者提供便捷、安全且高效的汽车融资解决方案。

随着人工智能技术的不断发展，它既带来了挑战，也为企业服务模式的转型创造了新的机遇。易鑫集团根据自身的业务特点，开发了一套专为企业定制的智能客服语音主动服务系统。该系统主动向客户推送定制化的服务语音菜单，协助客户迅速解决问题，同时在提升客户满意度和控制成本方面取得了显著成果。其创新点主要体现在以下几个方面：

业务场景细分：将服务分为账单查询、资料修改、提前还款、保险理赔等多个业务菜单，并根据业务处理流程进一步细分为咨询、查询和处理等环节，实现了业务服务场景的精细化管理。通过将客户需求场景进行网格化细分，系统能够根据客户的具体业务情况主动推送相应的服务场景。

客户数据库整理：整理并分类客户的基本信息，包括基础信息、订单信息、账单信息、扣款信息等，以便与业务场景进行精确匹配，并主动推送相关服务。

基础画像			动态画像		
1	用户基础属性	客户信息	1	用户来电信息（包含历史）	呼叫时长
		……			呼叫类型
2	用户订单信息	业务类型			通话时长
		……			满意度结果
3	用户还款信息	融资余额			工单加急状态
		……			问题描述
4	用户扣款信息	扣款金额			处理结果
		……			……
5	车辆信息	车辆类型	2	用户咨询偏好	扣款时间
		……			还款时间
6	用户逾期信息	最新逾期天数			提前还款金额
		……			费用咨询
7	用户提前还款信息	结清日期			……
		……	3	用户核心诉求	业务咨询
8	用户解押信息	收件地址			放款进度
		……			……

相关性匹配与需求定位：结合业务流程主线，从业务申请到合同成交，再到按期还款、提前还款和解押查询办理，系统根据客户当前的业务状态进行匹配，确定客户所需办理的具体业务场景。例如，如果客户在还款日因银行卡问题导致扣款失败，系统会根据业务周期和客户结清信息进行匹配，定位客户当前最紧迫的需求是解决正常还款问题。

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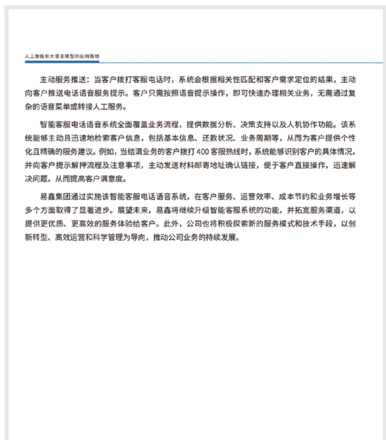


人工智能和大语言模型的应用落地

主动服务推送：当客户拨打客服电话时，系统会根据相关性匹配和客户需求定位的结果，主动向客户推送电话语音服务提示。客户只需按照语音提示操作，即可快速办理相关业务，无需通过复杂的语音菜单或转接人工服务。

智能客服电话语音系统全面覆盖业务流程，提供数据分析、决策支持以及人机协作功能。该系统能够主动且迅速地检索客户信息，包括基本信息、还款状况、业务周期等，从而为客户提供个性化且精确的服务建议。例如，当结清业务的客户拨打400客服热线时，系统能够识别客户的具体情况，并向客户提示解押流程及注意事项，主动发送材料邮寄地址确认链接，便于客户直接操作，迅速解决问题，从而提高客户满意度。

易鑫集团通过实施该智能客服电话语音系统，在客户服务、运营效率、成本节约和业务增长等多个方面取得了显著进步。展望未来，易鑫将继续升级智能客服系统的功能，并拓宽服务渠道，以提供更优质、更高效的服务体验给客户。此外，公司也将积极探索新的服务模式和技术手段，以创新转型、高效运营和科学管理为导向，推动公司业务的持续发展。

Through the multi-dimensional application of intelligent customer service projects in Mini Programs and 400 customer service hotline, we successfully broke through the limitations of traditional customer service models, empowered services with technology, significantly improved customer experience, accelerated service responses, and optimized business operation efficiency, laying down a solid foundation for enterprises to gain reputation across customers and develop competitive edges in the midst of intense market competitions.

Case study: **Case: Realizing the self-service claim function of corporate account transfer to improve customer experience**

For the account handling of customers with irregular repayments, we have added a self-checking and reporting process for customers through the Mini Program to the traditional manual account auditing and reporting process by calling 400. The number of self-service audits and reports has reached 2,000+ on average for several months. This optimization measure not only saved labor costs, but also improved the processing efficiency and increased the channels for customer reporting and processing, further improving customers' experience and satisfaction in the process of account handling.

(2) Protecting the rights and interests of customers

The Company always puts customers' interests at the core, adheres to the fundamental principle of customer service, and is committed to fulfilling its corporate social responsibility through maintaining a healthy and fair automobile finance market environment. In response to the emergence of unscrupulous practices in the auto finance market, such as the payment of illegal benefit fees and fraudulent free car-buying, we have established a long-term and effective monitoring mechanism and worked closely with our customers to ensure that we strictly crack down on these practices and actively promote related cases to the criminal justice process, in an effort to minimize the potential losses of both our customers and the Company. This practice has been effective in curbing the occurrence of fraudulent activities using customers with good credit and fully protecting their legitimate rights and interests. In addition, we actively provide fraud prevention education and guidance to our customers to help them raise their awareness of self-protection and minimize potential losses.

In order to protect and safeguard consumers rights and interests, prevent and fight automobile finance fraud, the Company has set up the following four permanent mechanisms:

1. Anti-fraud publicity mechanism

By launching the "Auto Finance Anti-Fraud" comic series "Escape from the Auto Finance Fraud Zoo" on the Yixin Auto Owner Services APP, we have increased our internal and external anti-fraud publicity both online and offline. In addition, we regularly conduct criminal anti-fraud training and publicity campaigns through movie, official account and poster to improve the anti-fraud awareness of employees and customers.

2. Police-business cooperation mechanism

We have established a cooperative relationship with the Shanghai Municipal Public Security Bureau and the Antifraud Center of the Changning District Public Security Bureau, under which we shall provide the fraud-related clues to the police in a timely manner and assist them in investigation work. At the same time, we actively join online financial anti-fraud organizations and participate in various anti-fraud activities to improve our overall ability to resist online fraud and form a strong joint defense line.

3. Mechanism for recouping losses

We have established an anti-fraud rapid response and disposal mechanism, with dedicated personnel to follow up on cases to help customers recoup losses. Through timely and powerful responses, we can minimize the economic losses of customers and the Company.

4. Mechanism for special campaigns

We have carried out special campaigns for cybercrime and other campaigns to optimize and clean up online fraudulent links, delete suspected fraudulent websites and links, and block suspected phone calls to effectively protect customer assets. This series of special campaigns helps combat cybercrime and ensure the security of customer information and assets.

In the process of actively responding to automobile finance fraud, we have taken the initiative and worked closely with public security authorities across the country to cooperate fully in the investigation of a number of bulk cases involving car dealers or intermediaries maliciously inducing customers to deal with our finance and leasing business. At the same time, to address the situation of customers being deceived, we strengthened communication with customers, patiently answered customers' questions, formulated and implemented a series of reduction and exemption settlement plans, explaining the specific content and operating procedures of the plans in detail with a view to maximizing the financial burden on customers. Adhering to the philosophy of integrity, impartiality and caring, we provide more comprehensive and professional services to customers who have been defrauded, and jointly create a healthier and safer automobile finance environment.

Case study: **Case: Yixin Group responded quickly to "The Case of Zibo Car Dealer's Illegally Taking Deposits from the Public", making every effort to recover losses for customers**

In July 2024, a case of illegal misappropriation of deposits from the public occurred in Zibo, Shandong Province in which a car dealer inflated financial leasing through customer credit reports and wantonly defrauded the public of a huge sum of money, triggering a high degree of concern from all walks of life. Yixin Group responded promptly by going to the scene, cooperating with the public security authorities to collect evidence, collaborating with the local government and setting up a temporary customer consultation group, and solving customers' doubts in a professional manner. A set of relief and settlement plans for customers were developed and implemented. In this case, Yixin Group always adhered to the customer-centric principle and actively fulfilled its social responsibilities, which demonstrated its responsibility and actions in the face of emergencies.

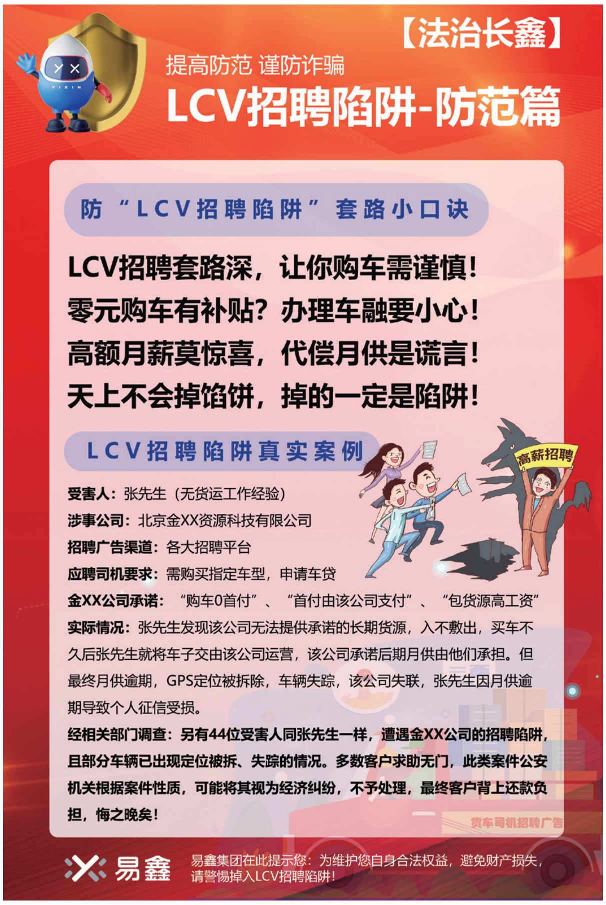
Case study: **Yixin Group launches anti-fraud publicity to build up financial security defenses**

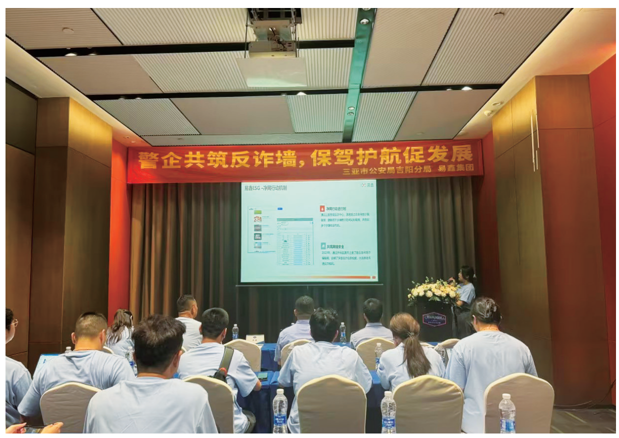
In order to raise users' awareness of financial security and prevent and reduce the incidence of financial fraud, we actively promote anti-fraud knowledge to our users. This includes basic knowledge of financial security, revealing new methods of fraud such as credit restoration and repair, so that users can have a more comprehensive understanding and enhance their self-prevention capabilities. At the same time, we expand our publicity channels to enable more users to understand and master anti-fraud knowledge, to jointly build a strong defense against financial security.

• "Xin Users' Small Classroom" Series (《鑫用戶小課堂》系列) to promote anti-fraud knowledge to users

Case study: **Case: Hainan anti-fraud promotion campaign on building anti-fraud fortification together by police and enterprises to provide strong support for promoting development"**

On the morning of May 23, 2024, we jointly launched an in-depth exchange activity on anti-fraud experience in the field of auto finance with the theme of "Police and enterprises jointly build an anti-fraud wall to protect and promote development" under the guidance and support of the Anti-fraud Center of Hainan Provincial Public Security Department, Criminal Investigation Detachment of Sanya Public Security Bureau, Criminal Investigation Brigade and Economic Investigation Brigade of Jiyang District Public Security Bureau of Sanya. In the afternoon, we successfully launched an anti-fraud campaign at Longpo Motor City. By setting up promotional booths and distributing anti-fraud flyers, Yixin Group had in-depth communication with auto dealers and the audience on anti-fraud knowledge in the field of auto finance. The event effectively raised public awareness of automobile finance fraud prevention, strengthened the ability of car dealers and consumers to recognize potential risks, and played a positive role in maintaining the health and stability of the automobile finance market.





• Anti-fraud campaign flyer

• Anti-fraud campaign site

Case study: Case: "Rule of Law Changxin" Anti-fraud Action, Building a Strong Line of Defense for Financial Security

Under the framework of close cooperation between the police and the enterprise, we regularly organize 2-3 criminal compliance and anti-fraud publicity and training activities every quarter with the "Law Changxin" series of publicity campaigns, fully popularizing anti-fraud knowledge among the employees of Yixin Group by teaching them prevention skills, and especially reminding them to be wary of the risks arising from unscrupulous car dealers and intermediaries. At the same time, we joined hands with the public security authorities to launch anti-fraud publicity campaigns to explore a new model of police-enterprise cooperation to prevent financial fraud. Through this series of special publicity activities under the "Law Changxin" police-enterprise cooperation, not only the financial anti-fraud awareness and prevention ability of Yixin Group's employees have been effectively improved, but also a strong compliance and safety atmosphere has also been created within the enterprise, highlighting the strong synergy and positive results brought about by the joint efforts of the police and enterprises to build safety barriers.

• Publicity campaign on "Law Changxin"

(3) Responding to customer complaints

The Company recognizes the importance of customer feedback and suggestions as an integral part of the Company's long-term development. In 2024, the Company optimized and updated the Administrative Measures for Emergency Handling and the Operation Manual for Emergency Handling to the Administrative Measures for Consumer Protection Services and the Operation Manual for Complaint Handling, with a view to providing standardized and normalized customer complaint service guidance documents to bring forth a solid guarantee for timely response to customer complaints. In order to actively adopt customer feedback and improve customer service quality, during the Year, we thoroughly implemented the Customer Service Management System, and established a comprehensive customer complaint handling system covering internal and external channels.

In terms of internal mechanism, we adopt a three-tier customer complaint handling process, under which the complaint cases are classified into three categories depending on the complexity and then directed to the customer service hotline, customer complaints specialists and the consumer protection team in a graded manner according to the level of complexity.

In terms of external channels, we actively responded to customer demands by continuously expanding the channels for customer feedback. During the Year, we received 1,888 customer complaints based on three external customer complaint platforms, namely "Black Cat", "Woodpecker" and "Network 315", with a response rate of 100%. For customers with repeated calls, the related data is analyzed by big data technology and reported to the consumer rights protection team in order to handle potential external customer complaint risks in advance. To continue improving the quality of our services, we called back customers from whom we failed to deduct money with the assistance of AI and informed them of the repayment solutions. During the period, a total of 402,706 customers were involved in our satisfaction assessment and a satisfaction rate of 99.42% was recorded. In addition, we regularly review the cases of customer complaints and proactively report the progress and information to relevant regulatory authorities to obtain their advice. We continuously optimize business procedures by taking timely rectification measures to ensure compliance and efficiency in the handling of customer complaints.

Case study: **Case study: Fulfilling social responsibility and helping customers with financial difficulties with fee reduction and exemption policies**

As a responsible enterprise, we are committed to fulfilling social responsibility. In particular, we have introduced a targeted fee reduction and exemption policy for customers who are especially in the face of economic difficulties, severe debts and other factors, as well as difficulties in repayment due to personal reasons such as serious diseases, household accidents etc. Customers only need to provide authentic and valid relevant supporting materials. After being reviewed and found to meet the reduction and exemption conditions, they can enjoy the corresponding fee reduction or exemption. At the same time, in order to clarify the rules for fee reduction and exemption to customers, we have issued the "Implementation Rules for the Review of Fee Exemption and Debt Transfer", which lists the specific application process and operation steps in detail. During the Year, we have provided fee reduction and exemption services to 14,728 customers, with a cumulative reduction and exemption amount of RMB424.35 million. These measures not only demonstrate our deep understanding and positive response to customer needs, but also fully demonstrate the remarkable results we have achieved in improving the quality and efficiency of customer service.

(4) Leading industry development

To facilitate the compliant and orderly development of the industry, the Company actively seeks cooperation with industry partners to jointly create a healthy and benign industry ecological relationship. We actively participate in the formulation of laws and regulations and the establishment of industry standards, rely on actual business experience, and actively provide advice to relevant departments to continuously improve and optimize industry standards.

Case study: **Case study: Yixin Group and other companies jointly issued the "Self-Discipline Convention" to lead the standardized development of the industry**

To further promote the standardized development of the auto finance industry, in November 2024, at the 2024 China Auto Finance Industry Summit, Yixin Group, together with a number of banks and OEM finance companies, jointly issued the "2024 Auto Finance Industry Sustainable Development Self-Discipline Convention", aiming to regulate the auto finance market and to ensure the healthy and sustainable development of the industry, which covers subjects as complying with laws and regulations, strengthening internal control management, improving service quality, optimizing channel management, protecting consumer rights, and fulfilling social responsibilities. The "Self-Discipline Convention" jointly issued at the 2024 China Auto Finance Industry Summit is a crucial initiative to promote the industry develop in a standardized manner with the support of multiple parties, illuminating the path of compliance for the auto finance industry.

• Mr. Song Rui, the COO of Yixin Group (second from right), jointly issued the Self-Discipline Convention at the 2024 China Auto Finance Industry Summit

The Company actively participates in various industry summits and industry seminars to promote the sustainable development of the automobile finance industry. Through extensive and in-depth communication and cooperation, we continuously iterate our strategic conception and service model, attach importance to communication and coordination with associations and other departments and build a sharing platform to promote win-win cooperation among industry players, thereby promoting the improvement of the overall level of the industry and contributing to the healthy development of the industry.

Case study: **Case study: Actively participate in industry seminars and discuss the transformation and development of financial leasing**

In August 2024, Mr. Guo Chun, the Vice President of the Company, was invited to attend the "2024 China Auto Finance Closed Seminar (Shanghai)", and exchanged views with industry players on the business exploration and transformation of bank-affiliated financial leasing companies, manufacturer-affiliated financial leasing companies, third-party financial leasing companies, and auto finance companies. He also had an in-depth discussion on building an auto financial leasing ecosystem and the collaborative cooperation among various institutions, providing constructive suggestions for promoting auto financial leasing under the new policy and demonstrating the Company's commitment to industry leadership.

- Mr. Guo Chun, the Vice President, participated in the 2024 China Auto Finance Closed Seminar (Shanghai)

By virtue of our continuous efforts to create long-term value for customers and actively promote the development of the industry, we are highly recognized by the industry and society. During the Year, we won the following awards and honorary titles:

- In January 2024, the Company won the **"2023 Award for Enterprise with Special Contribution to Rural Revitalization and Development"** at the 17th Golden Cicada Award organized by China Times
- In August 2024, the Company won the **"Top 50 Influential Fintech Company in China"** organized by Forbes China
- In November 2024, the Company won the **"NBD 2024 Innovative Gold Technology Platform"** at the 16th NBD Awards organized by National Business Daily
- In November 2024, the Company won the **"2024 Automobile Finance Trading Platform"** at the **China Automobile "Golden Engine" Award** organized by 21st Century Business Herald and China Auto Finance
- In November 2024, the Company won the **"2024 Automobile Finance Service Satisfaction Ranking-Top 5 Financial Leasing Company"** organized by China Automobile Dealers Association
- In November 2024, the Company won the **"2024 Technology Empowered Financial Institution Award"** at the **9th Golden Tangerine Awards of Time Finance** organized by The Times Weekly
- In December 2024, the Company won the Jinge Award **"Innovation of the Year Award"** organized by Gelonghui
- In December 2024, the Company won the **"Most Valuable Social Service Company"** organized by Zhitongcaijing (智通財經)
- In December 2024, the Company won the **"2024 Outstanding Financial Institution for Promoting Inclusive Development"** at the 18th Golden Cicada Award organized by China Times
- In December 2024, the Company won the **"Leading Brand in the Automobile Finance Industry"** at the 2024 "Best Brand 100" Award organized by Jiemian (界面新聞) under the Shanghai Media Group

4. STRENGTHENING MANAGEMENT AND STANDARDIZING OPERATION

The Company always adheres to compliant operations and is committed to establishing a risk management and control system with information security, anti-corruption, intellectual property protection and supply chain safety as the pillars. On the basis of complying with relevant laws and regulations, we have actively established and improved the internal system and safety management structure of the Company, continuously promoted the improvement of safety operation technical capabilities, and strengthened the training of employees' awareness of safety, so as to promote the stable and sustainable development of the enterprise.

(1) Optimizing risk management and control

The Company has established a multi-level risk management and control system, which covers the audit committee, internal audit department, internal control department, various functional departments and business departments to ensure that the business operates effectively in a compliant, fair and honest environment and is subject to corresponding supervision. The Company's risk management and control system clearly divides the risk management and control level. The business department is the first line of defense, responsible for the initial identification of risks, and the functional departments are the second line of defense to further strengthen risk management and control. The internal control department and the internal audit department work together to assist in identifying and assessing key business and financial related risks to ensure that various business compliance risk matters are managed.

The Company continues to upgrade and optimize various daily risk compliance management rules and regulations. In 2024, we updated the Legal Process Manual and drafted the process for retrieving industrial and commercial archives and the guide for filling out industrial and commercial annual reports to further improve the Company's compliance management system, aiming to provide everyone with clear guidelines and regulations in their daily work.

The Company pays attention to the cultivation of employees' compliance awareness and takes compliance management as a regular training program. In 2024, we held compliance training and publicity activities with rich content and various forms, including the "Internal Control Compliance Promotion Month" in August, compliance training and publicity activities for new employees, compliance training for new sales managers, popular science on confusing legal concepts, and compliance training on seal custody. The training program covers all employees to ensure that employees understand compliance requirements in their daily work and the Company's business operations, and effectively prevent and control risks.

During the Year, the Company has continued to increase the intensity of specialized training on personal information protection compliance by combining philosophy training for all employees and thematic training for key departments. By recording personal information protection courseware suitable for upstream and downstream suppliers, the personal information protection compliance requirements have been extended to the entire business process. At the same time, we also organized targeted training such as compliance training for the new business model of the consumer protection service department and business compliance training for new sales employees during the Year. In addition, we used animation display in the elevator, "Yixin University" and other diverse and interesting publicity and implementation modes to attract employees to actively learn about legal compliance.

Case study: **Case study: Deepen the cultivation of legal compliance awareness and carry out specialized training on internal control management**

In order to continuously strengthen employees' legal literacy and compliance awareness, the Company organizes thematic training on a regular basis or on demand to publicize and implement the latest national and industry regulations and policies. In August 2024, during the Company's "Internal Control and Compliance Promotion Month", the Company appointed legal experts and internal experts to carry out four thematic training lectures on "Domestic Laws and Regulations on AIGC Service Providers and Users", "Internal Control Basics and Case Sharing", "Criminal Compliance of Fazhi Changxin《法治長鑫之刑事合規》", and "Financial Leasing Risk Governance Seminar". During the Year, a total of 2,575 employees participated in the "Internal Control and Compliance Promotion Month" activities. These training activities effectively build a corporate compliance knowledge fortress, strengthen employees' compliance awareness, and ensure that the Company moves forward legally and in compliance.

• "Internal Control and Compliance Promotion Month" event site

Case study: **Case study: Actively participate in rule of law discussion to support the industry's compliance journey**

While continuously optimizing its own risk management and control capabilities, the Company has also made positive contributions to promoting the compliance development of the industry. In November 2024, as a representative of the financial leasing industry, the Company participated in the "Private Enterprise Rights Protection and Risk Prevention Forum and the 2024 Annual Meeting of the Shanghai Rule of Law Research Association" co-organized by Shanghai University of Political Science and Law, Shanghai Rule of Law Research Association, and the Crime Prevention Professional Committee of the Chinese Society of Criminology. At the forum, the Company representatives delivered speeches on the legal boundaries and risk management issues of financial leasing business. During the Year, the Company also actively put forward valuable suggestions on various drafts and exposure draft issued by relevant departments such as the "Measures for Compliance Management of Financial Institutions", the "Law on Penalties for Administration of Public Security (Second Deliberation Draft for Amendment)", the "Notice on Further Strengthening the Supervision of Financial Leasing Companies (Exposure Draft)", the "Guidelines for Patent Application for Artificial Intelligence-Related Inventions (Exposure Draft)", the "Administrative Measures of the Electronic Certification Service (Exposure Draft)", the "Guidelines for the Construction of National Data Infrastructure (Exposure Draft)" issued by Tianjin Local Financial Bureau. This move reflects the Company's active fulfillment of its social responsibilities and assistance in the construction of a more scientific and reasonable rule system that meets industry needs from its own professional perspective, aiming to further promote the compliance development of the industry.

(2) Safeguarding information security

The Company always pays attention to network security and data security, and is committed to improving the security and reliability of the network system. We comply with laws and regulations such as the "Cyber Security Law of the PRC", the "Data Security Law of the PRC", the "Personal Information Protection Law of the PRC" and the "Information Security Technology – Personal Information Security Specification", and promulgate and implement relevant security systems and policies within the Company. The Company has set up a special information security team to carry out enterprise security construction in accordance with the security governance approach of "technology + management". The information security team takes the lead in the construction of security technology system, which includes vulnerability identification and detection, network intrusion detection, host intrusion detection and enterprise sensitive data protection and other risk identification and protection capabilities. We also work with multi-functional teams such as internal audit, internal control, legal affairs and compliance to formulate, evaluate and publish the safety management system to ensure its effective implementation at the corporate level.

In order to better identify and prevent security risks in business systems and enhance the Company's security risk management capabilities, we have issued the "Business System Security Assessment Specifications" system at the corporate level, and carried out business system security assessments within the production and research department. Through business system information collection, questionnaire evaluation, result analysis and improvement, we collaborate with production and research department to discover and eliminate risks in business systems in advance.

In order to enhance the security of personal privacy information, we provide external official instructions such as the "Personal Information Processing Power of Attorney" and the APP's "Privacy Policy". At the same time, we have internally formulated data security systems such as the "Data Security Management Measures" and the "Data Classification and Grading Measures". The Company strictly follows the issued security rules and regulations, and checks and confirms the privacy rights of APP operation to minimize the collection of personal information. Meanwhile, we have adopted multi-level measures for information protection, such as desensitization of key information in the customer service system and setting system-related rights according to business scenarios to achieve hierarchical management and ensure the safe and orderly management of key information under different business scenarios.

In 2024, the Company took multiple measures to ensure information security. Through the in-house security operation platform, we unified the management and operation of security data sources such as network alerts, host alerts, threat intelligence and asset vulnerabilities, significantly enhancing the security capabilities of digital operations. At the network level, we added intrusion detection probes at the core switches to achieve two-way traffic monitoring and effectively defend against internal and external security threats. The Calling System (Yixin Group Cloud Calling Platform) was awarded the Certificate of Registration of Network Security Grade Protection-Grade 3 by the Ministry of Public Security, which marks a significant improvement in the level of security protection and enhances customer trust and the Company's professional image. At the same time, we strengthened the protection strategy of the office network, including network terminal access, data leakage prevention, log auditing and virus protection, to ensure that the Company is protected from internal network intrusion and virus transmission. In terms of computer room protection, we continue to promote the establishment of off-site disaster backup, add multiple disaster backup servers, and greatly improve data processing and database backup capabilities. The scope of disaster backup has also been expanded to cover key business data such as middleware data, code warehouses and corporate emails, providing a more solid guarantee for data security. In addition, we have successfully built a disaster backup system for basic middleware and core basic services to achieve rapid data synchronization and ensure the continuous and stable operation of the business and data integrity.

In addition, we actively promote external independent audits, including annual review the compliance of information systems' Network Security Grade Protection-Grade 3 and ISO27001 information security management system, and conduct penetration testing of information systems and conduct independent audits of general control of information systems by external auditors. This series of audit activities help verify the effectiveness of information security measures and ensure that the Company's information security and privacy protection have been comprehensively and continuously strengthened.

(3) Adhering to business integrity

The Company adheres to the philosophy of integrity management and establishes an honest and healthy corporate culture. We strive to create an honest and upright internal atmosphere, strictly require employees to adhere to a high level of professional ethics and business ethics, and are committed to maintaining relationships with business partners which are fair and honest.

Anti-corruption

The Company has always abided by the responsibility of management personnel to work with integrity, strengthened the awareness of business integrity and self-discipline of management personnel at all levels of the Company, standardized management behaviors, and optimized work and management style to maintain fair and upright relationships with business partners. We strictly abide by the "Anti-Unfair Competition Law of the PRC", the "Criminal Law of the PRC" and other laws and regulations, and fully comply with the requirements of laws and regulations on anti-corruption, anti-bribery, and anti-fraud, and have amended the "Administrative Measures on Professional Ethics Construction of Yixin Group", in order to promote the healthy and sustainable development of the Company.

In order to strengthen the anti-corruption work and cultivate employees' awareness of business integrity and professional ethics risk management, the Company has established a professional safety supervision team. The team consists of professionals with extensive experience in the field of anti-corruption and fraud investigation, and is responsible for supervising daily operations such as the signing of labor contracts, employee induction orientation, employee business management and external partner management, and promoting the development of business compliance training. We regularly review risk points of malpractices and fraud, continuously optimize business processes and repair business loopholes to eliminate potential risks. In order to deal with potential violations in a timely manner, we utilize the financial leasing business management system to analyze unusual orders and business data, and take actions against the involved employees and partners in accordance with internal rules and laws and regulations.

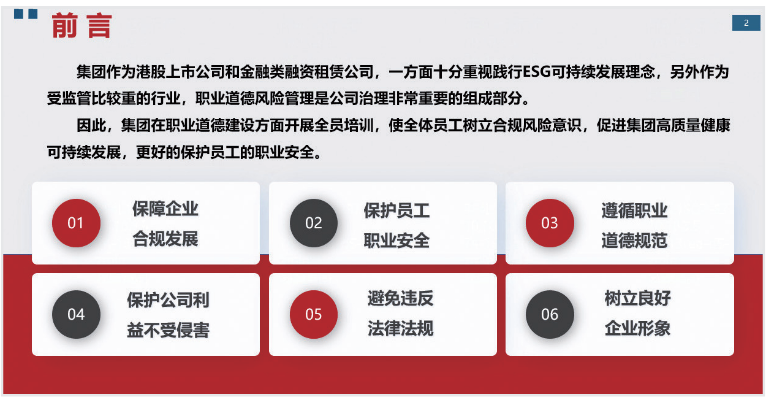
The Company firmly opposes all forms of corrupt and fraudulent behavior, and encourages employees, suppliers and business partners to actively report known or potential fraud. We provide a variety of reporting channels, including email, telephone and WeChat, and the detailed regulations are set out in the "Administrative Measures on Professional Ethics Construction of Yixin Group" (the "Administrative Measures"). At the same time, the Administrative Measures clarify the protection measures for whistleblowers. During the Year, we further strengthened our management mechanism in order to strengthen the coordination between audit and inspection work. Once a report of fraudulent behavior is received, we will immediately organize a professional team to conduct a comprehensive investigation by various means such as data analysis, inspections, unannounced visits and interviews. If an employee is involved in a duty-related crime, the case will be handed over to the judiciary for investigation according to the law, while a detailed investigation report and inspection result will be completed internally. Employees who have committed serious fraud will be dismissed, and senior employees assuming direct and indirect management responsibilities will be punished internally. During the Year, there were no concluded legal cases regarding corruption involving employees of the Company.

At the same time, we actively carry out anti-corruption cooperation with external industry peers to create an honest and transparent business environment. During the Year, the Company continued to participate in the Trust and Integrity Enterprise Alliance and the China Enterprise Anti-Fraud Alliance, and organized and participated numerous exchange and learning activities with the anti-fraud departments of industry peers to learn useful experience and measures.

During the Year, in order to ensure professional ethics and the awareness of business integrity, all employees have completed the annual education and training on the code of business conduct and integrity (excluding the Directors of the Company). We have provided online training courses on professional ethics risk management, conducted publicity lectures on laws and regulations and given typical warning examples. These training courses have strengthened the Company's work on professional ethical risk management in all aspects and promoting employees' awareness of business integrity.

Case study: **Case study: Improving professional ethics and building an upright workplace**

In 2024, the Company conducted online training on professional ethics risk management for all employees (excluding the Directors of the Company). The training content includes professional ethics risk management, workplace risk behavior, anti-corruption laws and regulations, internal regulations and disciplinary red lines of the Company, and related warning cases, etc., achieving a 100% coverage rate of professional ethics risk training, and an average training time of about 4 hours per person. Through a series of training measures, the Company consolidated employees' awareness of business integrity and promoted the overall improvement of the Company's professional ethics risk management.



● Online Training on "Professional Ethics Risk Management"

Case study: Case study: Carrying out anti-corruption training and maintaining integrity and honesty

The Company actively carried out employee compliance training, especially in the induction orientation, disseminated anticorruption-related content to new employees through online teaching videos and examinations. During this process, new employees signed the "Professional Ethical Risk Management Commitment" with 100% staff coverage and 100% signing rate. The training was broadcasted for a total of 20,871 times, which effectively strengthened employees' understanding of anti-corruption and compliance requirements, and further solidified the foundation of the Company's business integrity.

• Poster of the Employee Professional Ethics Risk Management

• Signing the "Employee Professional Ethical Risk Management Commitment of Yixin Group"

Case study: Case study: Carry out employee interest relationship declaration to ensure the healthy and sustainable development of the Company

In order to shape a harmonious working atmosphere and create a sunny workplace environment, the Company routinely reminds all employees to make declarations of employee interests relationship every year, and employees of companies under Yixin Group, including Yixin Group Investment (易鑫投資), are required to make self-declarations of their relative relationships or interests, with a coverage rate of 100%, so as to better improve the Company's internal supervision and job restriction requirements, reduce the risk of loss of control, and safeguard the healthy and sustainable development of the Company.

• Self-Declaration of Employee Interest Relationship

Anti-money laundering

The Company firmly opposes corruption and has zero tolerance for money laundering. We strictly abide by relevant laws and regulations and requirements of regulatory authorities such as the "Law Against Unfair Competition of the PRC", "Anti-money Laundering Law of the PRC", "Guidelines on Promoting the Healthy Development of Internet Finance", and constantly improve internal and external monitoring mechanisms to standardize internal management. We have implemented a series of measures, including customer identification, customer identity data and transaction record preservation, to reduce the anti-money laundering risks associated with our business. We continue to optimize and adjust our customer identification measures to ensure close monitoring and reduce potential money laundering risks.

(4) Protecting intellectual property

The Company attaches great importance to intellectual property protection and regards it as the cornerstone of the Company's sustainable development and innovation. It is also committed to creating a safe environment for business innovation and ensuring the safety of the Company's operations. We comply with relevant laws and regulations such as the "Advertising Law of the PRC", the "Measures for the Administration of Internet Advertising", the "Trademark Law of the PRC", the "Copyright Law of the PRC", the "Patent Law of the PRC", and have established an internal intellectual property and user privacy protection management system in compliance with the requirements of the law, such as the "Administrative Measures for Confidentiality of Trade Secrets" and the "Yixin Group Font Usage Guidelines Manual", to improve the application procedure and the deployment of intellectual property rights.

In order to ensure the continuous and effective protection of the Company's intellectual property rights, we co-operate with third-party professional agencies, such as Chofn IP (超凡知識產權), Gangzhuan Jingcheng Intellectual Property (港專京誠知識產權) AGIP, etc., to carry out detailed screening and monitoring of the status of trademark applications and registrations. We actively initiate a number of IP applications for trademarks, copyrights, patents, etc., to safeguard the Company's business development and actively defend against infringement.

In 2024, in terms of trademark rights, we filed 678 new trademark applications, of which 199 have been granted authorization/registration announcements and 4 trademark applications have been opposed. We filed 2 lawsuits with the People's Court against third parties' infringement of our trademark rights. In terms of copyright, we obtained licenses for 4 software copyrights and 3 artwork copyrights. In terms of patents, we obtained licenses for 2 invention patents. Through the implementation of a series of intellectual property protection measures, we have not only ensured the smooth commencement and stable operation of the Company's business, but also provided solid support and protection for the further expansion of the Company's business.

At the same time, we have actively organized IP-related training activities with the aim of enhancing our staff's awareness of IP protection and service quality. In 2024, we specially invited IP experts in Chofn IP to provide in-depth training to all members of the Legal and Compliance Department, covering trademark naming rules, application procedures and case handling skills, in order to enhance the team's professional competence in IP protection.

(5) Sustainable Supply Chain

The Company believes that a sustainable supply chain is crucial for long-term business growth and is committed to enhancing the ability of supply chain management. In the procurement process, we strictly abide by the "Anti-Unfair Competition Law of the PRC" and other laws and regulations and have formulated a series of internal rules and regulations, such as the "Administrative Measures for Suppliers", the "Administrative Measures for Procurement", in order to realize the informatization, refinement and centralization through the management of the supplier network, and to integrate the concept of sunshine procurement into sustainable supply chain operation management.

Supplier management

The Company always regards suppliers as indispensable and important strategic partners to promote healthy and sustainable development, and attaches great importance to and strives to establish long-term and stable close cooperation with them. To this end, we have clearly stipulated the legal compliance requirements, screening and selection criteria and the assessment process of suppliers in our supplier management policy to strengthen our ability of identification and management of environmental and social risks in all aspects of the supply chain. On this solid basis, we designed and implemented a standardized control procedure throughout the entire procurement process to ensure the continuous healthy and sustainable development of the supply chain.

After strict entry screening, the Company will select suppliers with relevant qualifications and good reputation in the industry, and require that they have not been involved in any major lawsuits or disputes or subject to any administrative penalties for integrity issues. According to the products and services provided by the suppliers, we divide them into two major categories: IT and non-IT. Considering the specificity of IT category, we require them to obtain the certification authorized by the brand manufacturers that they represent, have certain experience in project implementation and have been established for at least three years or above. For non-IT suppliers, we will select those who have a sufficient number of professional and technical personnel and sound pre-sales and after-sales quality assurance system, as well as certain project experience, and the cooperation time is not less than one year. For other major projects, we will also formulate separate requirements based on the project conditions.

In order to supervise the delivery capability of our suppliers, we carry out the acceptance and confirmation of suppliers before making payments, and realize the systematization of the acceptance list, and the delivery results of suppliers will be evaluated by the business procurement application department and the procurement department in a systematic and efficient manner. In case of the unusual delivery by suppliers, the procurement department will communicate, confirm and report the case according to the feedback from the business department, and we will suspend the engagement of such suppliers for a certain period of time. In case of breach of contract by suppliers, we will strictly enforce the terms of the contract against the breaching parties according to the contract and, if necessary, take legal action in cooperation with the legal department to protect our rights in accordance with applicable laws until the termination of the cooperation. We will promptly replace or eliminate suppliers with the following situations, including failure to deliver products and services on time, delivering defective products and services, poor service attitudes, violation of the regulations specified in the "Sunshine Procurement Code for Suppliers of Yixin Group", and causing significant impact or loss on the Company's business and internal service quality.

In order to improve the procurement system to enhance efficiency, we carried out systematic centralized procurement management, rationally classifying procurement items and further clarifying the scope of direct procurement. We have also developed efficient approval options for urgent direct procurement in the system, with a view to ensuring the flexibility of the procurement business such as scattered, e-commerce, temporary small amount of gifts, and emergency temporary materials while enhancing the degree of centralized procurement, and finally form a report on direct procurement for analyzing whether it is suitable for centralized procurement.

During the Year, we conducted multi-departmental cooperation with Procurement Department, Internal Control Department, Intelligent Data Center, Process Optimization and Management Department to sort out the "Supplier Collaboration Platform"《供應商協同平臺》 requirements, which is currently under research and development. The first phase mainly focuses on supplier registration, supplier account modification management, supplier certification, supplier rating, procurement portal; The future second phase focuses on supplier contract interaction, supplier quotation, audit case interaction, etc. In the future, invoice submission, delivery and acceptance and others will be systematized. Currently, the work of the Procurement Department is developing towards informatization, process-oriented and strategic project development, and aiming at cost reduction, efficiency and sunshine.

During the Year, the distribution and number of the suppliers of the Company by region are as follows:

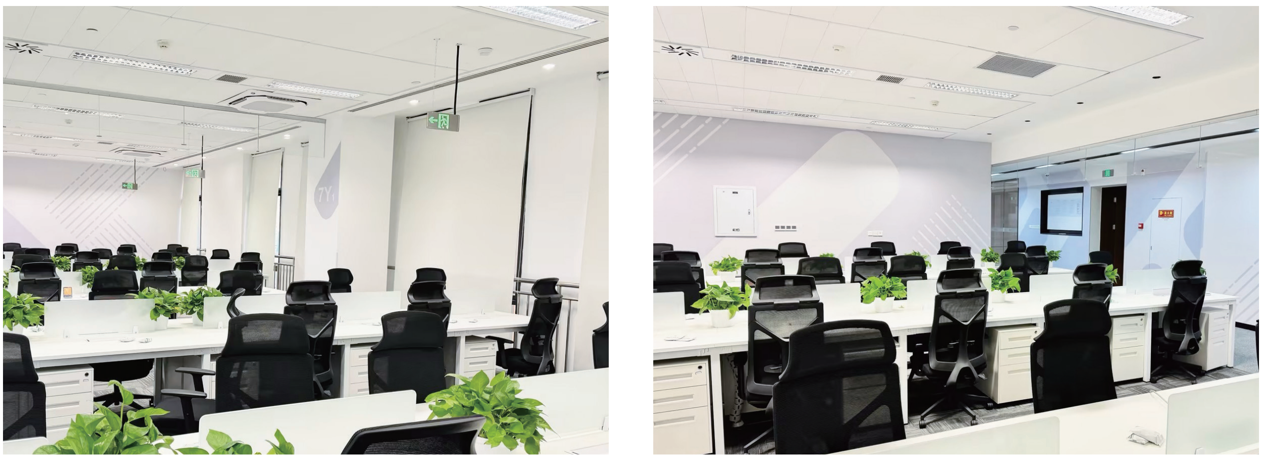
The distribution of suppliers by region	**Number of suppliers**
Eastern China	592
Southern China	106
Central China	42
Northern China	352
Northwestern China	26
Southwestern China	67
Northeastern China	51
Total	**1,236**

Green procurement

In order to reduce environmental pollution, the Company always adheres to the concept of green environmental protection and prioritizes the purchasing and usage of recyclable office equipment. In 2024, we continued to recycle the original office furniture and purchased environmentally friendly and functional second-hand furniture in the process of comprehensive renovation of workplace furniture. For projects such as the new construction and relocation of the headquarter building in Shanghai and other regional offices, we have always adopted this principle of recycling green procurement and practiced the development concept of recycling.

Case study: **Case study: Green procurement with recycling concept**

In 2024, the Beijing office was relocated to the Eastlake International Center in Chaoyang District, which was awarded the double certification of international LEED Gold and Beijing two-star green building. We have integrated ESG concepts into preliminary plan formulation and overall “soft decoration” design concept for office space “soft decoration” planning. We have used energy-saving and environmentally friendly construction materials and purchase a large number of recycled office furniture, including 412 sets of workstation table legs, 150 chairs, 28 side cabinets and 374 small push cabinets, etc., so as to practice green office, reduce resource waste and actively contribute to green environmental protection.



• Purchasing recyclable office equipment

We have always incorporated the concept of environmental protection into our procurement policy and adhered to the principle of giving preference to environmentally certified and environmentally friendly products. In 2024, in terms of paper procurement, we will choose A4 paper that has passed the ISO4001 environmental management system certification. In terms of gifts procurement, we will choose coffee cups made of coffee grounds as the gift for the 10th anniversary celebration of the administration, practising sustainable development in all aspects of our business with practical actions, to minimize the negative impact on the environment.

Sunshine procurement

The Company always adheres to the principle of sunshine procurement, and regards fairness and openness as the core requirements of procurement activities to ensure that all procurement activities are in compliance with laws and regulations and the Company's rules and regulations. To this end, we resolutely prevent possible moral hazards between procurement employees and business partners, and formulate and implement strict prevention and control measures, aiming to build an honest, self-disciplined, loyal and reliable procurement team. During the Year, we strictly implemented the "Administrative Measures for Sunshine Procurement Conduct of Yixin", requiring all cooperative suppliers that have won the bid to sign the "Sunshine Purchasing Code for Suppliers of Yixin" as part of the contract. At the same time, we clearly set out a description of prohibitions and reporting channels for violations of laws and regulations in the sunshine procurement agreement. The supervising department is responsible for monitoring the entire procurement system process procedures, and the auditing department regularly conducts random inspections of the procurement items to ensure compliance of the relevant supply items.

Based on the sunshine procurement policy, the Company is committed to implementing transparent, compliant and refined procurement management. In order to achieve a more intuitive supervision and control of procurement, we have developed our own the "E-Procurement System" to display all procurement process information in a visual manner. The system not only helps business managers to easily make enquiries about procurement data reports, but also plays a key role in obtaining accurate information such as the procurement amount by each department, procurement quantity, supplier sourcing and amounts saved. The "E-Procurement System" also gradually integrated the order and acceptance data from other business systems to further enhance the visibility and comprehensiveness of the data. In the future, it will be linked with the supplier collaboration platform and legal contract to further improve efficiency and reduce human intervention.

5. PROMOTING GREEN OPERATIONS

The Company strictly abides by the "Environmental Protection Law of the PRC", the "Energy Conservation Law of the PRC" and other laws and regulations, consistently implements the regulations of national and local environmental regulatory authorities and relevant guidelines in the industry. We have formulated a series of internal management systems such as the "Office Power Usage Management System" and the "Administrative Measures for Yixin Building" to fully comply with laws and regulations related to environmental protection. We have incorporated the concept of low-carbon environmental protection and sustainable development into our daily operation and management, and we are not only committed to identifying and responding to possible climate change, but also to making positive contributions to environmental protection and low-carbon development by carrying out energy saving and emission reduction work and optimizing green operations.

(1) Responding to climate change

Climate Change Risk Governance

Against the backdrop of global efforts to address climate change and enhance climate governance, we have prioritised "continuously strengthening the assessment and responses to risks related to climate change" as one of our key tasks. To enhance our capacity for climate change governance, we integrated climate-related supervision and management into our three-tier ESG structure of "Governance-Management-Execution". The ESG Committee of the Company is responsible for overseeing the Company's strategies and progress in responding to climate change, and listening to the management's annual report on climate-related work, including but not limited to climate strategy development, work plans, risk and opportunity identification and management, and putting forward suggestions for improvement. The ESG Committee is in charge of guiding the identification and management of climate-related risks and opportunities and promote specific actions by relevant departments within the execution level to implement approved strategies and goals related to climate change.

We annually conduct specialized training covering the identification of climate change-related risks and opportunities, climate risk management, and other topics to help the governance body acquire appropriate professional understanding and competence on climate-related issues, so as to oversee the effectiveness of the Company's climate risk and opportunity response strategies, and ensure that the Company fully considers the possible impact of climate risks and opportunities on itself in the process of formulating risk management procedures and policies, and is able to determine the level of climate-related risks that the Company expects to accept when making significant transaction decisions.

The Company has set business-related climate targets including energy conservation and greenhouse gas emission reduction, and the Board regularly reviews and examines the progress of such targets every year. In the future, we are considering incorporating climate-related KPIs into the team performance appraisal system to incentivize the team to be more proactive in addressing climate change challenges.

Climate Change Risk Response Strategies

By referring to the climate risk and opportunity analysis framework recommended by TCFD (Task Force on Climate-Related Financial Disclosure (氣候相關財務信息披露工作組)) and industry practices, we compiled a long list of risks and opportunities. We organised special seminars with key business and functional departments to collect the current management status of climate-related risks and opportunities and discuss management's suggestions on assessment. We also sought external opinions from industry experts and scholars to obtain external perspectives. We have identified the following climate risk and opportunity issues and their impacts on our business model and value chain.

Climate-related risks, business model and value chain impacts and response strategies

Types of risks	Description of climate risks	Impact of climate risks on business model	Impact of climate risks on value chain	Impact materiality	Impact timeframe	Response strategies
Physical acute risk	Extreme weather events caused by climate change, such as typhoons, earthquakes and tsunamis.	Extreme weather events result in impairment to the Company's buildings and other fixed assets, affecting offline operations.	Upstream OEMs located in the "high-risk" areas face the risk of business interruption, resulting in reduced demand from downstream customers in the Company's business.	Low	Medium	Future alterations or renovations to the office building shall take into account extreme climate change.
		Extreme weather events pose a risk to employee commuting, impacting the safety of the Company's employees and indirectly affecting the Company's offline operations.	Upstream OEMs, banks, data centers, etc. located in "high-risk" areas all have related employee safety risks, resulting in interruptions in the service provision of the Company's upstream suppliers.	Low	Short	In response to extreme weather such as high temperature and typhoon, announcements are sent to all employees to remind them to pay attention to travel safety; Take measures such as flexible attendance and work from home arrangements based on the actual impact of extreme weather conditions such as typhoons on staff commuting.

Types of risks	Description of climate risks	Impact of climate risks on business model	Impact of climate risks on value chain	Impact materiality	Impact timeframe	Response strategies
		Extreme weather events may cause damage to the Company's IT room and data, causing the Company to sustain losses during the resumption of business.	Service disruption to upstream data centers located in "high risk" areas results in loss of company data.	High	Short	Establish an off-site remote disaster backup mechanism. As such, off-site recovery and reconstruction can be performed in case of damage to the computer room caused by extreme weather.
		Extreme weather events have had an impact on the financial health of the corporate customers, resulting in higher costs of capital relief and exemption for overdue customers.	The decline in financial health and the increase in default rates of downstream customers result in higher costs for the Company's capital relief and exemption.	Medium	Short	Improve the assessment criteria for customers' repayment ability and implement stricter repayment ability assessments for customers in high-risk areas.
		Extreme weather conditions cause damage to recovered vehicles, affecting the value of the collaterals owned by the Company.	The decline in the value of collaterals from downstream customers leads to an increase in the Company's operating costs.	Low	Short	
Physical chronic risk	Extreme changes in precipitation and climate patterns, global warming, rise in sea level, etc.	Global climate change brings about higher energy consumption, such as the use of power for air-conditioning, causing an increase in operating costs.	Upstream banks have more stringent requirements on the qualification examination for loan funds, which indirectly increases the Company's capital cost.	Low	Short	Improve the risk assessment and early warning system, and analyze the characteristics of climate change (including frequency, intensity, type, etc.) in different regions.

Types of risks	Description of climate risks	Impact of climate risks on business model	Impact of climate risks on value chain	Impact materiality	Impact timeframe	Response strategies
Transformation risk	Policy risk The government has rolled out policies and regulations to regulate climate change, such as greenhouse gas emission charges, and enhanced emission reporting obligations.	In order to ensure the compliance of the Company's operations, the operating and compliance costs have to be increased.	Relevant favorable policy such as new energy licenses reduces the demand for fuel vehicles from downstream customers, resulting in a decrease in income from fuel vehicle business.	Low	Long-term	Pay attention to the latest developments in domestic and foreign policies and regulations, and deploy internal resources to respond to changes promptly; Actively maintain contact with local governments; Actively identify, prevent and control its own legal risks, and carry out legal risk management.
		The increase in possible non-compliance incidents leads to higher cost of fines and judgments.	The increase in non-compliance incidents results in damage to the Company's reputation, thereby reducing the business volume of the Company's downstream customers.	Low	Short	
	Market risk With the transformation of social public consumption for low-carbon requirements, the Company fails to provide corresponding products/services in a timely manner.	The Company 's failure to meet customers' demand for latest low-carbon environmental protection preferences results in customer loss, thus reducing operating income.	Downstream customers ' frequent changes in their preferences for low- carbon environmental protection lead to an increase in the Company's cost of developing new business.	Low	Long-term	Promote business transformation and timely launch products that meet market needs, and build a multi-channel, multidimensional and diversified marketing system.

Types of risks	Description of climate risks	Impact of climate risks on business model	Impact of climate risks on value chain	Impact materiality	Impact timeframe	Response strategies
	Technology risk In the context of the national "dual-carbon" goal, the Company's operation demands energy saving and energy consumption reduction, and low-carbon transformation.	In order to improve the overall energy efficiency level of the Company, a large number of energy-saving and consumption-reducing equipment have been purchased, resulting in an increase in the cost of corporation transformation.	The transformation cost of the Company's upstream data center has been transferred to service, leading to an increase in service fees.	Low	Medium	Strengthen energy saving and emission reduction management in our operations, and continue to promote green and low-carbon transformation and the upgrading of business and technology; Promote the recycling of server resources, carry out multiple business mergers and reorganizations, reduce the redundancy of resources generated as a result of business monopoly, and enhance the green and low-carbon recycling of server resources.
	Reputation risk Stakeholders are increasingly concerned about the Company's performance in green and low-carbon development and addressing climate change, and the impact on the Company's reputation and image if the result is not up to their expectation.	Increased reputation risks to the Company result in lower business volumes and operating income.	The lower demand for high-emission products and services from downstream customers results in a decrease in income of the Company.	Low	Long-term	Make responses to climate change as a key issue and communicate with stakeholders through ESG reports and other channels.
		Higher reputation risk of the Company results in an increase in staff recruitment and retention costs.	The reduced stability and enhanced mobility of the upstream suppliers' staff have led to service disruption and increased operating costs.	Low	Medium	Pay attention to market atmosphere and public opinions.

Climate-related opportunities, business model and value chain impacts and response strategies

While responding to climate-related risks, the Company has been exploring the opportunities brought about by climate change in conjunction with its own principal business and operational processes, and has identified the following development opportunities to further promote the sustainable development of the industry.

Types of opportunities	Description of climate opportunities	Impact of climate opportunities on business model	Impact of climate opportunities on value chain	Impact materiality	Impact timeframe	Response strategies
Resource efficiency	Improve the efficiency of resource utilization and reduce the consumption of resources, including power, fuel oil and water resources, etc.	Strengthen the Company's energy management leads to lower energy demand and operating costs.	On the basis of the use of original resources, the upstream OEMs of the Company can improve the existing production capacity and the potential business volume of the Company, thereby increasing the operating income of the Company.	Low	Long-term	Continuously monitor the use of various resources and take timely improvement measures to reduce greenhouse gas emissions; Use a full heat exchange fresh air system in the office building to recycle part of the heat energy and reduce energy consumption.
Markets/Products and services	The state and the government have introduced preferential subsidy policies for new energy vehicles ("NEV(s)"), infrastructure construction measures, etc., which are conducive to the development of the NEV industry, and the demand for finance leasing of NEVs and product services will also increase.	Strengthen the Company's investment in the field of NEVs and seize the policy subsidies to increase operating income.	The increased demand for NEVs and product services from downstream customers has led to an increase in the Company's operating income.	High	Long-term	Promote business innovation and timely launch products and services that meet market needs to enhance its own competitive advantages; Formulate risk control and credit policies for NEV financing lease and products services applications.

Types of opportunities	Description of climate opportunities	Impact of climate opportunities on business model	Impact of climate opportunities on value chain	Impact materiality	Impact timeframe	Response strategies
	Issue green finance-related products to obtain more preferential loan interest rates.	In the future, the Company's financing means will be more diverse and the financing cost will continue to decrease.	Participation of upstream banks and investors in new products and services related to sustainable development has resulted in lower financing costs for the Company.	Medium	Long-term	Analyze the assessment indicators of mainstream green finance products on the market and deploy relevant actions.

Climate change risk management

Following the recommendations made by TCFD, we have implemented a systematic approach to identify different types of climate-related risks and assess their potential impacts on our key business operations. We have integrated climate risk management into our daily risk management system, evaluated specific physical risks and transformation risks, and optimized our management measures accordingly. Furthermore, in line with the characteristics of our key businesses, we have leveraged our service strengths to fully explore the opportunities brought by climate change.

The Company attaches great importance to the significant impacts that climate-related risks and opportunities may have and incorporates them into the risk management system. The Company has established a comprehensive process for identifying, assessing, prioritizing and monitoring climate change-related risks and opportunities. We identify key climate risks and opportunities by means of industry analysis, internal discussions, and expert consultations annually, and prioritize the materiality of identified climate risks and opportunities by internal risk assessment tools based on factors including the likelihood of occurrence, the level of impact on business models and value chains, and the level of relevance to business development. The Board oversees the assessment of climate-related risks and opportunities and ensures the establishment of an appropriate and effective ESG risk management and internal supervision system. The Board is responsible for overseeing the climate risk appetite of corporates including determining the risk level corporates expect and is able to take, and proactively considering, analyzing and formulating strategies to manage the key climate risks that the Company is exposed to. In addition, we expect to use climate change scenario analysis in 2025 to identify the impact level of significant physical risks under future climate scenarios and to ensure that more resources are invested to control risks with higher impact levels.

Indicator and target setting for responding to climate change risks

In 2024, we continued to formulate energy saving and emission reduction targets for Yixin Building, which are disclosed in the section headed "Environmental targets" below. Please also refer to the section headed "Environmental performance" below for the data of greenhouse gas emissions. At the same time, we also actively expanded the scale of the NEV business. For details, please refer to the table below:

Number of financing transactions for new and used vehicles of NEV and amount of financing transactions	**Number of financing transactions**		**Financing amount**	
	2024 ***'000***	**2023** ***'000***	**2024** ***RMB'000***	**2023** ***RMB'000***
NEV- New Vehicles	**151**	107	**15,380,187**	11,307,053
NEV- Used Vehicles	**24**	9	**2,541,421**	1,098,314
Total	**175**	116	**17,921,608**	12,405,367

Case study: Yixin Group successfully issues the first offshore sustainability-linked bond

In December 2024, Yixin Group issued sustainability-linked bond, raising 4 billion yen with a term of 3 years. This bond issuance complies with the requirements of the Sustainability-Linked Bond Principles, and sets the Sustainability Performance Targets (hereinafter referred to as "SPTs") in light of the Company's own sustainable development strategy. The SPTs set for this bond focus on low-carbon travel and take financing transactions of NEVs as the core indicator, which illustrates Yixin Group's responsibility and commitment with practical actions.

Case study: Shanghai Yixin Financial Lease Co., Ltd. receives the first domestic ESG sustainability-linked syndicated loan of RMB

In November 2024, Shanghai Yixin Financial Lease Co., Ltd., a core holding company of Yixin Group, successfully obtained a sustainability-linked syndicated loan of RMB350 million with a term of two years. This loan refers to the Sustainability-Linked Loan Principles, which fully demonstrates the high recognition and trust of the participating banks in the Company's fulfilment of ESG responsibilities and sustainable development practices.

Case study: The Group empowers the development of the NEV industry chain through equity investment models

The Company has completed investments in a number of equity projects in new energy, smart driving and other related fields, and the invested companies focus on investing in automobile-related fields, mainly covering various aspects such as new energy, intelligent driving and other related industrial chains, and electric vehicle operation. In 2024, the Company participated in a number of new energy and automated driving related projects through funds and direct investment, with a cumulative capital contribution of approximately RMB145.42 million. This actively promotes the practice of ESG strategies, plays a positive role in improving the overall industry operational efficiency and reducing carbon emissions, and further strengthens the Company's market position in the new energy sector.

(2) Optimizing resource utilization

The Company emphasizes the influence of unconscious publicity in the management of the utilization of resources, and formulates relevant rules and regulations while strengthening publicity to ensure effective management. Adhering to the concept of green environmental protection, the Company has formulated environmental goals that are in line with the actual development of the Company and actively promoted the implementation of various energy-saving and consumption-reducing measures in workplaces across the country, so as to reduce the impact of the Company's operations on the environment and natural resources. The Company attaches great importance to the popularization of ESG concepts, and integrates energy saving and environmental protection into employees' daily work and workplace activities to enhance their awareness of ESG. In addition, by strengthening the publicity of ESG and low carbon and energy saving, the Company has integrated these concepts into the upgrading of soft furnishings in office areas, sign upgrading, Yixin-ESG logo design, festive activities in the workplace, newspaper and magazine publicity and official account, etc., so as to publicize these concepts in an all-round way.

• Yixin-ESG logo

• Save Water sign

• Save Paper sign

In terms of electricity saving, the Company has effectively reduced electricity consumption through measures such as formulating a daily supervision system and changing to energy-saving electrical appliances. We have replaced the permanent lights with LED sensor lights, installed variable frequency air conditioners to adjust the temperature reasonably, and upgraded the air conditioner control system, thus optimizing the efficiency and control performance of air conditioners and achieving the goal of reducing overall energy consumption. At the same time, we actively encourage employees to voluntarily turn off relevant electrical equipment when they are off-duty, and arrange inspectors dedicated to turn off unused electrical equipment in time to further save electricity.

In terms of water conservation, the Company proactively protects water resources through two major initiatives of raising employees' behavioral awareness and improving infrastructure. We have posted water conservation signs in office areas, such as wash sinks and washrooms, to strengthen employees' awareness on water conservation and remind them to save water. During the Year, Yixin Building, where our Shanghai headquarter is situated, replaced bottled water with a direct drinking water system, effectively reducing the waste of water resources. The Company did not encounter any issue in sourcing water that is fit for purpose during the Year.

In terms of saving paper, the Company pays great attention to reducing unnecessary waste and proactively promotes saving paper. Through the online application of some processes and the paperless office, we have continued to deepen the reform of the way of application for office consumables this year from the original offline registration to online system registration, and formulated the relevant rules and regulations. These rules and regulations can more clearly and effectively manage and control the use of documents, which requires each employee can apply and receive no more than two packs of A4-sized documents for each quarter. In addition, in order to further reduce the consumption of documents, in addition to promoting the paperless office of the OA system, we also bind employees' ID information with printers to cultivate employees' good habit in printing by means of real-name printing.

At the same time, the Company encourages employees to practice the concept of green travel and has adopted a number of measures to reduce carbon footprints. We encourage employees to use public transportation when reporting for work, and thus formulated the "Corporate Vehicle Usage Management System of Yixin Group" to strictly approve and standardize the manner and scope of the usage of corporate vehicles with the aim of gradually reducing the employees' use of corporate vehicles. During the Year, we have replaced most of our traditional corporate fuel vehicles with NEVs, thereby effectively reducing carbon emissions.

Case study: Green and smart commuting demonstrates the commitment to environmental protection

During the Year, we actively explored new solutions for green and smart commuting, and successfully purchased 20 sets of MOGO BUS, which have realized L4 autonomous driving technology and vehicle-road-cloud collaboration capabilities. Specifically, the vehicle brain has 8 solid-state LiDARs and a variety of sensors, with a sensing range of up to 200 meters and a response time of 0.1 second. Since August 12, these buses have officially become the commuter shuttle bus for employees of the Shanghai headquarter of Yixin Group. These buses are operated by Yixin Group and run daily between Songhong Road Station, South Qilianshan Road Station and the office building of Yixin Building. As the technology gradually matures, it is expected to fully adopt autonomous driving in the future. This demonstrates Yixin Group's commitment to innovation and environmental protection, which is conducive to enhancing its popularity and reputation in the industry. Meanwhile, it also lays a solid foundation for expanding related businesses or carrying out in-depth cooperation with technology companies in the future, and promotes Yixin Group's progress towards a diversified and technologically modern enterprise.

• Shuttle Bus Service

In 2024, we have fully completed the assessment on resource utilization of all production servers, and this systematic assessment has provided crucial data support for us to accurately grasp the actual usage of server resources. Based on the assessment results, we have formulated a detailed process for handling low-utilization resources, and pushed it to the relevant users in a timely manner, so that they can carry out targeted optimization according to the process. Through the implementation of this process, we have completed a total of nearly 18% of the server downgrading or recycling work, which not only effectively releases idle resources, but also reduces operating costs. At the same time, we have also replaced some old server hardware and realized the rolling renewal of hardware resources, which not only improves the performance and stability of the servers, but also provides a more solid foundation for subsequent business expansion.

(3) Environmental performance

*Emissions*②

Indicator	2024	2023
Total greenhouse gas emissions (Scope 1 and Scope 2) (ton)	1,306.09	1,273.67
GHG emissions per capita (ton/person)	0.26	0.28
Direct GHG emissions (Scope 1) (ton)	22.60	13.94
Bus fuel consumption	22.60	13.94
Indirect GHG emissions (Scope 2) (ton)	1,283.48	1,259.73
Purchased electricity①	1,283.48	1,259.73
Total nitrogen oxides (NOx) emissions from motor vehicles (kg)	1.19	0.72
Total sulphur oxides (SOx) emissions from motor vehicles (kg)	0.15	0.09
Hazardous waste (ton)③	0.00	0.00
Hazardous waste per capita (ton/person)	0.00	0.00
Non-hazardous waste (ton)④	370.16	361.06
Non-hazardous waste per capita (ton/person)	0.07	0.08

Notes:

1. Due to its business nature, the gas emissions of the Company are mainly derived from purchased electricity.

2. The inventory of greenhouse gases includes carbon dioxide, methane and nitrous oxide which are mainly generated from purchased electricity and fuels. GHG emissions data is presented in carbon dioxide equivalent and is based on the Baseline Emission Factors for Regional Power Grids in China – Emission Reduction Projects in 2019 《2019減排項目中國區域電網基準線排放因子》 issued by the Ministry of Ecological Environment of the People's Republic of China and the 2019 Refinement to the IPCC 2006 Guidelines for National Greenhouse Gas Inventories 《IPCC 2006 年國家溫室氣體清單指南2019修訂版》 issued by the Intergovernmental Panel on Climate Change (IPCC).

3. The types of hazardous wastes involved in the operations of the Company include discarded ink cartridges and wastes of lead-acid batteries from printing equipment. As the Company leased the printing services from a printing service provider who recycles ink cartridges, there was no waste of ink cartridges in 2024. Since the warranty of lead-acid batteries remained valid, there was no waste of lead-acid battery in 2024.

4. The types of non-hazardous wastes involved in the operations of the Company include domestic wastes of office buildings. The domestic wastes of office buildings are disposed of by a property management company of the office buildings and cannot be measured separately. The estimate is based on the Handbook on the Discharge Coefficient of Urban Domestic Pollution Sources under the First National Survey on Pollution Sources 《第一次全國污染源普查城鎮生活源產排污系數手冊》 issued by the State Council. No paper waste and electronic equipment waste were generated in 2024.

5. The Company's operations do not involve the use of packaging materials.

Energy consumption

Indicator	2024	2023
Total energy consumption (MW · h)[1]	2,390.89	2,129.95
Energy consumption per square meter of gross floor area (MW · h/m^2)	0.10	0.08
Direct energy consumption (MW · h)	88.31	54.48
Petrol	88.31	54.48
Indirect energy consumption (MW · h)	2,302.57	2,075.47
Purchased electricity[2]	2,302.57	2,075.47
Per capita electricity consumption (MW · h/person)	0.46	0.45
Water consumption (ton)[3]	9,103	8,297
Per capita water consumption (ton/person)	6.98	5.84

Notes:

1 Consolidated energy consumption is calculated on the basis of the consumption of power and petroleum and the conversion factor set out in the General Principles of Consolidated Energy Consumption Calculation (GB/T 2589-2020)《(綜合能耗計算通則》(GB/T 2589-2020)) as well as the national standard.

2 The data for purchased electricity covers offices in Shanghai, Beijing, Shenzhen, Dalian, Changsha, Urumqi, Shijiazhuang, Changchun, Nanjing, Hohhot, Xi'an, Ningbo, Tianjin, Shenyang, Taiyuan, Wuxi, Xining, Qingdao, Zhengzhou, Suzhou, Jinan, Yinchuan, Chongqing, Kunming, Harbin, Yuncheng, Chengdu, Ganzhou, Fuyang, Mianyang, Lanzhou, Guiyang, Zhumadian, Hefei, Wuhan, Nanchang, Fuzhou, Xiamen, Nanning, Guangzhou, Haikou, Baoding, Luoyang, Shaoyang, Yichang, Zunyi, Dali and Dongguan. The offices in other areas have not been included in the statistics due to their insignificant scale, and will be included based on actual circumstances in the future. Electricity expenses of the data centers of the Company is included in the custody fees, so power consumption of data centers cannot be measured separately. Further discussion with regard to the measurement will be made with the custody firm in the future and the data will be included in the statistics once separate measurement is available.

3 The statistical scope of the Company's office water consumption includes the office water consumption in Beijing and Shanghai, and the water consumption of other office locations is included in the property fee, and the water consumption cannot be measured separately.

(4) Environmental targets

As an automobile financing transaction service provider on the internet, the Company develops its business on the basis of internet, therefore water, electricity and office paper are the main resources consumed in the Company's daily operations. In order to step up our energy conservation and emission reduction efforts and continue to pursue higher standard in green and low-carbon operations, we have designated Yixin Building, Yixin Group's headquarter in Shanghai, as a pilot for green office operations. We formulated environmental targets in line with the actual development of the Company and have regularly reviewed and examined the progress of achieving the targets during the Year.

Indicator	Target for 2024	Status of achievement	Specific measures	Target for 2025
Per capita water consumption	Reduce 3% as compared with 2023	Not yet achieved	Yixin Building, where our Shanghai headquarter is situated, replaced bottled water with a direct drinking water system, effectively reducing the water resources.	Reduce 3% as compared with 2024
Per capita electricity consumption	Reduce 3% as compared with 2023	Not yet achieved	The Company has reduced per capita electricity consumption through intelligent equipment transformation.	Reduce 3% as compared with 2024
Per capita greenhouse gas emissions	Reduce 3% as compared with 2023	Achieved	The Company has reduced per capita greenhouse gas emissions caused by purchased electricity through high-efficiency equipment upgrades.	Reduce 3% as compared with 2024
Waste sorting coverage	Reach 100%	Achieved	The Company has set up locations for dry and wet waste classification in the workplace, and conducts strict daily inspection.	Reach 100%
Per capita office paper consumption	Reduce 3% as compared with 2023	Not yet achieved	The Company stipulates that all office paper consumed by employees must be registered and applied for use in the OA system, and an upper limit within a specified period is imposed on each employee. At the same time, the Company binds employees' ID information with printers to cultivate employees' good habit in printing by means of real-name printing.	Reduce 3% as compared with 2024

At the same time, based on the Company's daily operations and industry characteristics, we continue to lay down the following environmental targets:

Emission targets:

- By 2025, the proportion of Yixin Group's employees traveling by high-speed rail will increase to 70%

- Through increasing online meetings and other means, Yixin Group will reduce the number of domestic/global business trips by 10% in 2025 as compared with 2022

- Through intelligent equipment transformation, Yixin Group will reduce per capita greenhouse gas emissions caused by purchased electricity by 5% in 2025 as compared with 2022

Waste reduction target:

- By 2025, Yixin Group will replace 100% of plastic garbage bags with biodegradable ones

Energy use efficiency target:

- Through intelligent equipment transformation, Yixin Group will reduce per capita electricity consumption by 5% in 2025 as compared with 2022

Water efficiency target:

- By strengthening internal publicity and management, Yixin Group will reduce per capita tap water consumption by 5% in 2025 as compared with 2022

Other environmental target:

- By 2025, 100% of Yixin Group's purchased office paper will be FSC-certified paper

6. UPHOLDING THE CONCEPT OF PUTTING PEOPLE FIRST

The Company cares about the growth and development of employees, and it has been committed to providing employees with a fair, respectful, inclusive and diversified working environment. The Company keeps adhering to the principle of protecting the rights and interests of its employees, and it strives to become an outstanding enterprise in the field of automobile financial transactions on the internet to attract outstanding talents.

(1) Employment and benefits

The Company always pays attention to the rights and interests of employees and is committed to providing a fair and equitable working environment. We strictly abide by the relevant laws and regulations such as the "Labor Contract Law of the PRC", the "Labor Law of the PRC" and the "Law of the PRC on the Protection of Minors", and formulated and improved our internal rules and regulations such as the "Regulations on Recruitment Management" and the "Regulations on Induction Management", so as to ensure that employees' rights and interests are properly safeguarded and to regulate the management of employees' recruitment, induction and other related matters. Meanwhile, we proactively create a diverse and inclusive working environment and provide fair and equitable treatment for employees of different genders, ages, ethnicities, races and religious beliefs in terms of recruitment, promotion, salary and benefits. In addition, we have elaborated on the specific aspects of protecting the rights and interests of employees in the Employee Handbook, and strictly followed the principle of non-discrimination in the recruitment process. In respect of resigned employees' rights and interests, we have formulated internal labor contracts in compliance with relevant national laws and regulations, and clearly stipulated the employment period and termination conditions, so as to properly handle employees' resignation matters and fully protect the rights and interests of resigned employees.

The Company actively recruits talents who meet the needs of the Company's development through online recruitment, staff referrals and internal applications, and strictly complies with national and local laws and regulations such as the "Law of the PRC on the Protection of Minors" and the "Provisions on the Prohibition of Using Child Labor". In addition to eliminating the occurrence of child and forced labor according to such laws and regulations, we have established recruitment review mechanism to avoid the possibility of non-compliant employment. If job applicants under legal working age were detected by automatic identification of the age information on the identity card, we shall terminate the employment, check the system bug and check the information of such job applicants. In 2024, there were no incidents of child labor or forced labor. In order to meet the Company's employment needs and reflect our social responsibility, the Company has established a school-enterprise cooperation model in 2024, and established cooperation with Tianjin Binhai Vocational Institute of Automotive Engineering to provide apprenticeship and job opportunities for graduating students.

Case study: **Empowering the future and boosting growth**

The Company continues to strengthen communication with college graduates and warmly welcomes outstanding fresh graduates to join us. During the Year, we attended a number of job fairs to recruit more fresh graduates and interns. At present, we have participated in a number of job fairs to explore talents, inject vitality into the Company and achieve a win-win situation.

• Special job fair for overseas talent held in Changning district

• 2024 Job fair held in ECUPL

Case study: **Join efforts to cultivate talents and build a school-enterprise cooperation model**

The Company has entered into a school-enterprise cooperation with Tianjin Binhai Vocational Institute of Automotive Engineering to establish a traineeship and employment platform for its fresh graduates, promote the connection between educational resources and enterprise needs, and achieve a win-win situation between the school and the enterprise.

• Signing Ceremony

The Company attaches great importance to employee communication and feedback. In addition to conducting democratic communication and meeting elections through the labor union via the original channels, we also provide various feedback and whistle-blowing channels for employees. For employee feedback, we have set up a special hotline and email, and introduced the smart system called "Xiaoxinxin", which can handle part of problem feedback and complaint information in real time, providing convenient services for employees. For whistle-blowing by employees, we set up anonymous reporting channels including anonymous reporting hotline and email, while non-anonymous reporting shall be put forward via WeChat or personal email. We have formulated information handling standards corresponding to relevant communication channels, in which it has specified the time node for the handling of such information. For internal administration of non-compliance and disciplinary violations, it is the duty of the safety supervision department to handle the reported information.

The Company strives to ensure that our employees can fully enjoy their life after work and maintain a balance between working hours and vacation time. We strictly abide by the statutory working hours to ensure that employees are entitled to basic vacation rights. In order to improve the quality of life of our employees, we strictly control overtime hours to allow them to have more time to spend on their own life.

We conduct anonymous employee satisfaction survey on a regular basis, which is an important way for us to have a profound understanding of employees' satisfaction and happiness in the workplace and mainly includes talent pool checking and organizational investigation. For talent pool checking, we randomly select employees to communicate with the junior management to discuss on-site issues. The checking is open to all regular employees and ensures that every employee has the opportunity to be selected to participate. Meanwhile, we design a systematic questionnaire for organizational investigation, and from the employees' scores on remuneration, position and responsibilities, superior management and team atmosphere, etc., we could fully understand their feelings and views on various aspects of the Company.

Key performance indicators related to employment of staff

Indicator	Number of employees (person)	2024 Percentage (%)
Total number of employees	4,332	/
Number of employees by gender		
Male employees	2,691	62.12%
Female employees	1,641	37.88%
Number of employees by age		
30 years old and below	1,068	24.65%
31-50 years old	3,232	74.61%
Over 50 years old	32	0.74%
Number of employees by region		
Eastern China	1,406	32.45%
Southern China	393	9.07%
Northern China	693	16.00%
Central China	560	12.93%
Northeastern China	448	10.34%
Southwestern China	457	10.55%
Northwestern China	330	7.62%
Overseas	45	1.04%
Number of employees by employment category		
Full-time contract employees	4,278	98.75%
Interns	54	1.25%

Key performance indicators related to employee turnover

Indicator	**2024**
Total employee turnover rate	14.47%
Employee turnover rate by gender	
Male employees	14.89%
Female employees	13.77%
Employee turnover rate by age	
30 years old and below	14.32%
31-50 years old	14.58%
Over 50 years old	5.88%
Employee turnover rate by region	
Eastern China	13.61%
Southern China	17.01%
Northern China	11.86%
Central China	14.72%
Northeastern China	15.22%
Southwestern China	15.61%
Northwestern China	17.34%

(2) Employee benefits and care

The Company continuously improves its salary incentive and welfare system which is fair internally and competitive in the market, so as to provide employees with more benefits and care. We strictly comply with relevant laws and regulations such as the "Labor Law of the PRC" and the "Labor Contract Law of the PRC", and have formulated internal systems such as the "Administrative Measures for Employee Subsidies" to safeguard the legitimate rights and interests of our employees and regulate operation of the Company. On top of paying various social insurances for all employees and fully safeguarding their vacation rights, we provide employees with additional benefits including meal allowance, transportation allowance, travel allowance and communication allowance.

We are dedicated to creating a congenial workplace with positive atmosphere for our employees, and providing comprehensive infrastructure, rich catering options and diversified care services. In order to create a comfortable working environment, each office building is equipped with basic facilities such as pantry and telephone booths, and the Company is equipped with massage rooms, shower rooms, employee activity rooms, user-friendly public space and baby care rooms for new mothers to relieve work pressure of our employees and provide more intimate care. In order to meet the catering needs of our employees, we cooperate with service providers to set up breakfast cabinets on each floor. We also cooperate with surrounding catering outlets, which allows our employees to enjoy exclusive discounts via their ID badges and enriches their catering options. In addition, we regularly held induction celebrations, employee birthday parties, sports competitions and other activities, aiming to provide employees with diversified leisure methods, creating a healthy, safe and caring working environment, and enhancing employees' sense of belonging. During the Year, the Company deeply cared about mental health of employees, and launched the employee care project and employee assistance program to provide free professional psychological counseling services, which helps employees release stress and establish a positive attitude.

Case study: Caring for mental health of employees, and creating a harmonious workplace environment in Yixin Group

During the Year, we provided a set of systematic and long-term employee assistance programs (EAP) for employees to help them identify, prevent and answer psychological or behavioral problems, which provides intensive care for employees and enhances their sense of happiness.

• Poster of the EAP

(3) Employee training and development

In the course of pursuing long-term sustainable development by the Company, the cultivation of the ability of employees is essential as it provides critical support. We have formulated rules and regulations such as the "Administrative Measures for Daily Promotion" and the "Administrative Measures for Transfer" to help employees clearly understand the Company's internal transfer and promotion process and further plan their career paths. With the core concept of "application skills" and "employee experience", we provide a variety of career development channels, including promotion channels for both positions and ranks. In addition, a job rotation mechanism has also been introduced to help employees conduct multi-dimensional learning and to better meet the needs of the Company.

The Company designed and organized a number of diversified training activities, covering new employee induction training, professional skills training and leadership training for all employees, aiming to fully support employees' career planning and development and professional skills improvement. The induction trainings we provided for all new employees cover corporate culture, introduction on product and business process, risk awareness, compliance training, rules and regulations on human resources, publicity on administrative activities, employee reimbursement system and professional ethics development, which could help them quickly adapt to the working environment. In general, new employees shall be mentored by experienced colleagues for 1 to 3 months and shall be subject to preliminary departmental assessment at the end of the probation period, and they will become regular employees after passing the assessment.

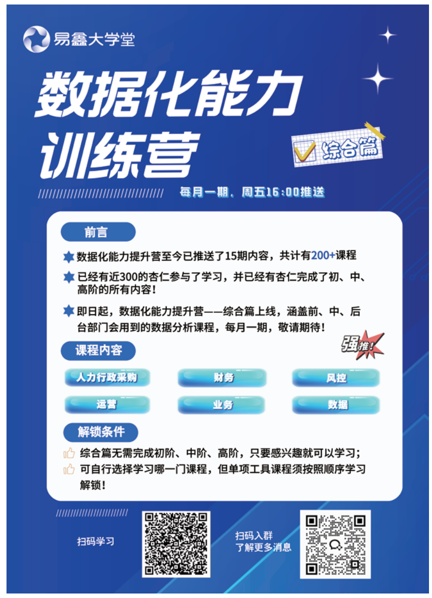
To support our employees in achieving their personal career goals, we provide a wealth of learning resources. All employees can use our online learning platform "Yixin University" to broaden their professional knowledge reserve and visions, thereby obtaining more career development and promotion opportunities and laying a solid foundation for future career development. At the same time, in order to promote communication among various departments, we have organized functional manager trainings, with training contents covering sharpening management style, application of talent inventory results, data analysis, project management, new-generation employee management and knowledge on financial industry. In addition, we have established a professional skills training program to provide diversified online and offline training courses according to the needs of employees. The training program has been certified for Six Sigma since its launch last year, fully demonstrating its professionalism.

The Company introduced the Six Sigma methodology in 2022 to assist the Company in reducing costs and increasing efficiency. In October of the same year, the Company established the Automobile Financial Sigma Academy (汽融西格瑪學院) and established its management system. Up to now, the college has held the third phase of Yellow Belt (黃帶) and Green Belt (綠帶) training, with a total of 183 trainees and a total of 49 project topics identified. At the same time, the Company encourages Green Belt trainees to go for Green Belt qualification certification. At present, 13 Green Belt trainees have passed the certification of ACI in the United States and successfully obtained Green Belt qualification certificates.

AI technology has greatly promoted the efficient operation of work and life. In order to better integrate AI technology into work and improve employees' work efficiency, the Company strengthened the training on AI technology, and organized several training activities on the application of AI technology during the Year.

Case study: Skill trainings for employees to learn new skills

During the Year, we offered skill training courses for employees for voluntary participation. Such courses cover various professional skills, including "poster production", "image processing" and "video editing", highlighting the Company's emphasis on employee growth and business improvement.



• Poster of skill training courses for employees

Key performance indicators related to employee trainings

Indicator	2024 Training rate (%)
Percentage of employees trained by gender	
Male employees	63.54%
Female employees	36.46%
Percentage of employees trained by ranking	
Senior management	0.83%
Middle-level management	1.76%
Entry level employees	97.41%

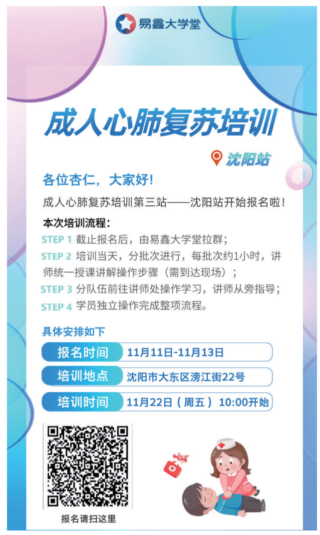
Indicator	2024 Training hours (hours/person)
Average training hours of employees	31.2
Training hours of employees by gender	
Male employees	31.3
Female employees	31
Training hours of employees by ranking	
Senior management	1.5
Middle-level management	10.2
Entry level employees	31.3

(4) Health and safety of employees

With high concern over health and safety of employees, we strictly comply with relevant laws and regulations such as the "Labor Law of the PRC" and the "Regulations on Work-related Injury Insurance", and have formulated internal rules and regulations such as the "Management Measures on Yixin Building", so as to maintain a safe and comfortable working environment for employees. To further show our care for employees' health and workplace safety, we launched a series of health and safety services, training and drills during the Year, including annual checkup, automated external defibrillator (AED) cardiac first aid training, safety first aid course, fire training course and drills to provide employees with comprehensive health protection and safety response capabilities. We will continue to make unremitting efforts to ensure that employees are always in good health and that safety is maintained at work.

Case study: Comprehensive safety escort to improve employees' first aid skills

During the Year, we cooperated with a number of third-party professional organizations to carry out a number of safety awareness trainings. We and the American Heart Association (AHA) jointly organized AED emergency rescue trainings to enhance employees' first aid and rescue capabilities. Employees who completed the trainings and passed the appraisal received certificates issued by AHA.



• 2024 Training Course Promotional Poster

Key performance indicators related to work-related injuries and fatalities

Primary indicators	Secondary indicators	Unit	Data
Number and rate of work-related fatalities in the past three years (including the Reporting Period)	Number of work-related fatalities in 2022	Person	0
	Number of work-related fatalities in 2023	Person	0
	Number of work-related fatalities in 2024	Person	0
Lost days due to work-related injury	Number of work-related injuries in 2024	Case	0
	Lost days due to work-related injuries in 2024	Day	0

7. BUILDING A HARMONIOUS AND BEAUTIFUL SOCIETY

The Company integrates sustainable social support into the public welfare philosophy with social welfare as the core of its corporate culture, and motivates its employees to actively participate in public welfare activities by spreading such philosophy internally. We strive to make the Company's public welfare activities more meaningful and motivate our employees to the full to participate in public welfare activities to the utmost extent.

During the Year, the Company continued to focus on the fulfillment of its social responsibilities, regarded the enhancement of overall social benefits as the driving force of corporate development, and adhered to the principle of giving back to community and assuming responsibilities. We attached great importance to the harmonious development between man and nature, supported the local neighborhood communities and listened to the voices of disadvantaged groups. We actively promoted and performed various public welfare activities in environmental protection, inclusive finance, rural revitalization, charitable assistance and charitable education programs, thereby rewarding society with sincere love. Meanwhile, we cooperated with several charity foundations to jointly support the development of public welfare initiatives.

(1) Inclusive finance

The Company actively responds to the call of "fintech should empower the real economy" in the 14th Five-Year Plan. In order to meet the needs of users in sinking markets, especially those for the agriculture, rural areas and rural people, we went deep into mountainous areas, pastoral areas, farmlands and orchards to provide customers with customized on-site car purchasing installment plans and launched diverse products and services. In the meantime, we take flexible measures to solve users' practical difficulties, and provided them with inclusive, high-quality and efficient automobile finance services. Since the beginning of the Year, the inclusive finance department has provided services for more than 350,000 people, of which approximately half of which are in charge of agriculture, rural areas and rural people as well as small and micro enterprises. Our services cover a wide geographical area, covering all cities except Tibet, Hong Kong, Macau and Taiwan regions, ensuring that people from different ethnic groups can equally enjoy financial services. The proportion of customers from ethnic minorities exceeded 10%.

Case study: The 10th Anniversary Short Film of "Help You To Be Better Tomorrow"

On the occasion of the Company's 10th anniversary, the Company filmed and produced a short film on the theme of "Help You To Be Better Tomorrow". In the past decade, Yixin Group has helped more than 4 million users to finance the purchase of cars. Through in-depth analysis of the real cases of these customers, it vividly demonstrates Yixin Group's outstanding contributions in serving agriculture, rural areas and rural people as well as financial inclusion, illustrates Yixin Group's responsibilities in rural revitalization, and also highlights Yixin Group's significant influence in the industry and its active practice of social responsibility.

• The 10th Anniversary Short Film, "Help You To Be Better Tomorrow"

Case study: Helping grassland herdsmen realize their dream of buying a car and promoting the sustainable development of local auto finance

In order to better provide auto financing services to the people in the pastoral areas of Ili, the Yixin Group team went deep into the grassland pastures to provide face-to-face on-site services, effectively solving the previous difficulty in obtaining auto financing services due to remote geographical location and information asymmetry. This effort aims to promote the sustainable development of local auto finance and provide a wider range of financial support and convenient services for the shifting pastoral residents.

• Yixin Group's employees served customers in pastoral areas

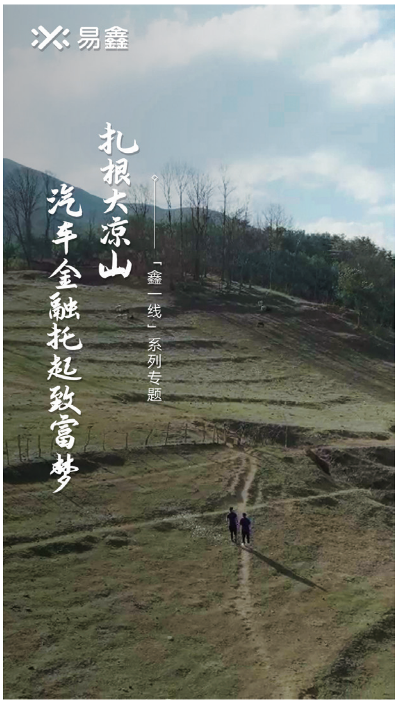
Case study: Helping Ganzhou fruit farmers open up new sales channels

The orchards of navel orange growers in Ganzhou, Jiangxi Province, were affected by the blizzard and therefore reduced the production of navel oranges. Yixin Group's financial consultants provided car purchase support for the farmers affected by disaster through inclusive auto finance policies, helping them switch from buying from manufacturers to be self-produced and self-sold directly to the market. This initiative has enabled Yixin Group to establish an outstanding corporate image in the local area and accumulated rich and valuable practical experience for its in-depth development of inclusive financial services.

• Yixin Group's customers were picking navel oranges in the orchard

Case study: Special videos on “Frontline of Yixin (鑫一線)”

We produced multiple special videos on “Frontline of Yixin (鑫一線)”, which highlighted that Yixin Group’s frontline consultants in different regions provided comprehensive services to local automobile users and proactively promoted the development of local industries, such as fruit cultivation, the fireworks industry, and tourism, amidst the backdrop of greater governmental efforts in facilitating automobile consumption in rural areas and inclusive finance, so as to support the inclusive values of achieving common prosperity, and demonstrate the Company’s commitment to social responsibilities.



● Promotional photos for special videos on “Frontline of Yixin (鑫一線)”

(2) Rural revitalization

The Company attaches great importance to rural revitalization strategies and considers rural revitalization as its long-term key project, so as to drive the economic development of rural areas and social progress with active promotion of rural revitalization.

Case study: Tianfeng-Yixin Leasing Xincheng Phase II Asset-backed Special Plan (天風-易鑫租賃鑫誠2 期資產支持專項計劃)

In August 2024, two subsidiaries of Yixin Group, namely Shanghai Yixin Financing Lease Co., Ltd. (上海易鑫融資租賃有限公司) and Tianjin Hengtongjiahe Financing Lease Co., Ltd. (天津恒通嘉合融資租賃有限公司), as the dual original owners, successfully issued the "Tianfeng-Yixin Leasing Xincheng Phase II Asset-backed Special Plan (rural revitalization)", and the total amount raised reached RMB827 million. The offering received an enthusiastic response from investors, with the asset-backed special plan being over-subscribed.

The amount raised will be mainly used to consolidate the achievements in poverty alleviation and promote the economic development of poverty-stricken areas and the overall revitalization of rural areas. The funds will support the automobile financial leasing business in the "National Key Counties for Rural Revitalization (國家鄉村振興重點幫扶縣)". By providing automobile asset financing to lessees in the areas to be launched, the policy of "facilitating automobile consumption in rural areas" will be effectively promoted, so as to improve the quality of life of rural residents. In addition, it optimized the automobile consumption financial service system in rural areas and assisted in the achievement of the strategic objectives of rural revitalization.

(3) Charitable assistance

Caring much about community residents and closely concerning about socially disadvantaged groups, the Company's employees actively organize volunteers to participate in charity and donation activities, through which we not only let more people understand our corporate values, but also contribute to creating a harmonious and beautiful society.

Case study: Yixin Group sets up a "Caring Station (愛心驛站)" to carry out the "Summer Bingxin Project (夏日冰心工程)"

Yixin Group actively shouldered its social responsibilities, carefully set up "Caring Station", and fully carried out the "Summer Bingxin Project" activity. This activity focused on the delivery persons and the outdoor workers in the park, bringing them coolness and care in the hot summer. Their heart-warming deeds won the attention and follow-up report of SMG, which aroused widespread praise and positive feedback in the society.

• "Caring Station" activity site

Case study: **Year-round "Yibei Coffee" public welfare activities in workplace**

Throughout the Year, the "Yibei Coffee" public welfare activities in workplace is held every month. During the Year, our charity coffee event was organized in collaboration with the Family Welfare Development Center (家扶公益發展中心) to invite deaf baristas to come to the workplace to make coffee and conduct coffee teaching. In order to achieve better communication with the deaf baristas, the enterprise specially invited a sign language teacher from a charitable organization to come to the workplace to conduct the commonly used sign language teaching for the employees. By participating in workplace activities, employees can learn basic sign language and coffee making and receive a free cup of coffee. The Company directly donates to charitable organizations every month to help and support the employment of people with disabilities. Through this activity, the public's favorability and recognition of the Yixin Group brand have been enhanced, and a good reputation has been established in the field of social responsibility practice.

• Group photo of the year-round "Yibei Coffee" public welfare activities in workplace

(4) Charitable education programs

The Company is committed to promoting caring education, focusing on two major areas: public welfare student aid and education to foster love of the Party. By subsidizing underprivileged students to complete their studies, we help them pursue their dreams. At the same time, we actively carried out education activities to foster the love and loyalty of the employees and teenagers for the Party. These initiatives not only demonstrate our corporate responsibility, but also contribute to nurturing a new generation of socially responsible people.

Case study: Carrying out the "Yixin to the Party – Public Welfare School Sponsorship" action

In March 2024, Yixin carried out thematic activities of "Yixin Group to the Party – Public Welfare School Sponsorship" (to provide assistance to build a home for left-behind children in Gekui Town, Lvchun County, Honghe Autonomous Prefecture, Yunnan Province, and invested RMB130,700 to subsidize 27 local students in need.)

Yixin Group actively fulfilled its social responsibilities and carried out the campaign of "Yixin to the Party – Public Welfare School Sponsorship". The action focused on Gekui Town, Lvchun County, Honghe Autonomous Prefecture, Yunnan Province, and was dedicated to the construction of a local home for left-behind children. Yixin Group invested RMB130,700 to subsidize 27 local students in need, helping them pursue their dreams and move forward bravely in their studies. It fully demonstrated Yixin Group's deep concern and strong support for educational public welfare as a corporate citizen.

• "Yixin to the Party – Public Welfare School Sponsorship" action site

Case study: **Carrying out Yixin Group's Red Homeland Tour--Yan'an Tour**

Yixin Group carried out the activity of themed Party Day in Yan'an with the theme of, "Inheriting the Red Spirit by Learning the Party's History, Consolidating Political Rules by Abiding by the Party's Discipline". During the visit, we visited Yangjialing Fuzhou Hope Primary School (楊家嶺福州希望小學), and took actions to spread love and support by donating RMB50,000. The funds will be dedicated to creating a better teaching environment for the children of the school and helping the school improve its teaching staff, demonstrating the importance that Yixin Group attaches to education and its firm belief in the inheritance of the Red Spirit.

• Carrying out Yixin Group's Red Homeland Tour--Yan'an Tour

APPENDIX HONG KONG STOCK EXCHANGE'S ESG INDEX

Aspects	Subjects	Disclosure Requirement	Corresponding Sections
Governance Structure	–	A statement from the board containing the following elements: (1) a disclosure of the board's oversight of ESG issues; (2) the board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues (including risks to the issuer's businesses); and (3) how the board reviews progress made against ESG-related goals and targets with an explanation of how they relate to the issuer's businesses.	Sustainability Management – Board statement
Reporting Principles	–	A description of, or an explanation on, the application of the following Reporting Principles in the preparation of the ESG report: (1) **Materiality:** The ESG report should disclose: (i) the process to identify and the criteria for the selection of material ESG factors; (ii) if a stakeholder engagement is conducted, a description of significant stakeholders identified, and the process and results of the issuer's stakeholder engagement. (2) **Quantitative:** Information on the standards, methodologies, assumptions and/or calculation tools used, and source of conversion factors used, for the reporting of emissions/energy consumption (where applicable) should be disclosed. (3) **Consistency:** The issuer should disclose in the ESG report any changes to the methods or KPIs used, or any other relevant factors affecting a meaningful comparison.	About This Report Sustainability Management – Materiality assessment Sustainability Management – Communication with stakeholders
Reporting Boundaries	–	A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.	About This Report

Aspects	Subjects	Disclosure Requirement	Corresponding Sections
Environmental	A1 Emissions	General disclosure: information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Promoting Green Operations – Responding to climate change Promoting Green Operations – Environmental performance
		A1.1 The types of emissions and respective emissions data.	Promoting Green Operations – Environmental performance
		A1.2 Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Promoting Green Operations – Environmental performance
		A1.3 Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Promoting Green Operations – Environmental performance
		A1.4 Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g., per unit of production volume, per facility).	Promoting Green Operations – Environmental performance
		A1.5 Description of emissions target(s) set and steps taken to achieve them.	Promoting Green Operations – Environmental targets
		A1.6 Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Promoting Green Operations – Environmental performance Promoting Green Operations – Environmental targets

Aspects	Subjects	Disclosure Requirement	Corresponding Sections
	A2 Use of Resources	General disclosure: policies on the efficient use of resources, including energy, water and other raw materials.	Promoting Green Operations – Optimizing resource utilization
		A2.1 Direct and/or indirect energy consumption by type (e.g., electricity, gas or oil) in total (kWh in '000s) and intensity (e.g., per unit of production volume, per facility).	Promoting Green Operations – Environmental performance
		A2.2 Water consumption in total and intensity (e.g., per unit of production volume, per facility).	Promoting Green Operations – Environmental performance
		A2.3 Description of energy use efficiency target(s) set and steps taken to achieve them.	Promoting Green Operations – Environmental targets
		A2.4 Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Promoting Green Operations – Optimizing resource utilization Promoting Green Operations – Environmental targets
		A2.5 Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	The Company's operations do not involve the production of physical products, therefore KPI A2.5 is not applicable.

Aspects	Subjects	Disclosure Requirement	Corresponding Sections
	A3 The Environment and Natural Resources	General disclosure: policies on minimising the issuer's significant impacts on the environment and natural resources.	Promoting Green Operations – Optimizing resource utilization
		A3.1 Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Promoting Green Operations – Optimizing resource utilization Promoting Green Operations – Environmental performance
	A4 Climate Change	General disclosure: policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Promoting Green Operations – Responding to climate change
		A4.1 Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Promoting Green Operations – Responding to climate change
Societal	B1 Employment	General disclosure: information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Upholding the Concept of Putting People First-Employment and benefits
		B1.1 Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Upholding the Concept of Putting People First-Employment and benefits
		B1.2 Employee turnover rate by gender, age group and geographical region.	Upholding the Concept of Putting People First-Employment and benefits

Aspects	Subjects	Disclosure Requirement	Corresponding Sections
	B2 Health and Safety	General disclosure: information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Upholding the Concept of Putting People First- Health and safety of employees Upholding the Concept of Putting People First- Employee benefits and care
		B2.1 Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Upholding the Concept of Putting People First- Health and safety of employees
		B2.2 Lost days due to work injury.	Upholding the Concept of Putting People First- Health and safety of employees
		B2.3 Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Upholding the Concept of Putting People First- Health and safety of employees
	B3 Development and Training	General disclosure: policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Upholding the Concept of Putting People First – Employee training and development
		B3.1 The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Upholding the Concept of Putting People First – Employee training and development
		B3.2 The average training hours completed per employee by gender and employee category.	Upholding the Concept of Putting People First – Employee training and development

Aspects	Subjects	Disclosure Requirement	Corresponding Sections
	B4 Labour Standards	General disclosure: information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Upholding the Concept of Putting People First – Employment and benefits
		B4.1 Description of measures to review employment practices to avoid child and forced labour.	Upholding the Concept of Putting People First – Employment and benefits
		B4.2 Description of steps taken to eliminate such practices when discovered.	Upholding the Concept of Putting People First – Employment and benefits
	B5 Supply Chain Management	General disclosure: policies on managing environmental and social risks of the supply chain.	Strengthening Management and Standardizing Operation – Sustainable supply chain
		B5.1 Number of suppliers by geographical region.	Strengthening Management and Standardizing Operation – Sustainable supply chain
		B5.2 Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Strengthening Management and Standardizing Operation – Sustainable supply chain
		B5.3 Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Strengthening Management and Standardizing Operation – Sustainable supply chain
		B5.4 Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Strengthening Management and Standardizing Operation – Sustainable supply chain

Aspects	Subjects	Disclosure Requirement	Corresponding Sections
	B6 Product Responsibility	General disclosure: information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Ensuring the Quality of Products and Services – Elevating service standards, Responding to customer complaints Strengthening Management and Standardizing Operation – Safeguarding information security, Protecting intellectual property (Note: As assessed by the ESG Committee, Yixin Group's businesses do not involve packaging products. Therefore, issues in relation to labelling are not applicable to Yixin Group)
		B6.1 Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Our operations do not involve the production of physical products, therefore KPI B6.1 is not applicable.
		B6.2 Number of products and service related complaints received and how they are dealt with.	Ensuring the Quality of Products and Services – Responding to customer complaints
		B6.3 Description of practices relating to observing and protecting intellectual property rights.	Strengthening Management and Standardizing Operation – Protecting intellectual property
		B6.4 Description of quality assurance process and recall procedures.	Ensuring the Quality of Products and Services – Elevating service standards
		B6.5 Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Strengthening Management and Standardizing Operation – Safeguarding information security

Aspects	Subjects	Disclosure Requirement	Corresponding Sections
	B7 Anti-corruption	General disclosure: information on: (1) the policies; and (2) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Ensuring the Quality of Products and Services – Protecting the rights and interests of customers Strengthening Management and Standardizing Operation – Adhering to business integrity
		B7.1 Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Strengthening Management and Standardizing Operation – Adhering to business integrity
		B7.2 Description of preventive measures and whistleblowing procedures, and how they are implemented and monitored.	Strengthening Management and Standardizing Operation – Adhering to business integrity Upholding the Concept of Putting People First – Employment and benefits
		B7.3 Description of anti-corruption training provided to directors and staff.	Strengthening Management and Standardizing Operation – Adhering to business integrity
	B8 Community Investment	General disclosure: policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Building a Harmonious and Beautiful Society
		B8.1 Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Building a Harmonious and Beautiful Society
		B8.2 Resources contributed (e.g. money or time) to the focus area.	Building a Harmonious and Beautiful Society

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Yixin Group Limited
(incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Yixin Group Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 171 to 276, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated income statement for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters identified in our audit are summarised as follows:

- Measurement of expected credit losses
- Fair value measurement of financial assets categorized as level 3

<table>
<tr><th>Key Audit Matter</th><th>How our audit addressed the Key Audit Matter</th></tr>
<tr><td>
Measurement of expected credit losses

Refer to note 4.1(a), note 19, note 21 and note 27 to the consolidated financial statements.

As at 31 December 2024, the Group's expected credit losses ("ECL") allowance of finance receivables and loans recognized as a result of payment under risk assurance amounted to approximately RMB932,427,000 and RMB104,339,000 respectively, and the ECL allowance of risk assurance liabilities amounted to approximately RMB1,934,970,000.

The balances of provisions for ECL of finance receivables, loans recognized as a result of payment under risk assurance and risk assurance liabilities represent management's best estimate at the balance sheet date of expected credit losses under International Financial Reporting Standard 9: Financial Instruments expected credit losses model ("IFRS 9").
</td><td>
Our procedures in relation to the measurement of expected credit losses included:

Understanding and evaluating management's assessment process and controls

• We obtained an understanding of the management's internal controls and assessment process relating to management's ECL model, significant assumptions and major data inputs and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty;

• We tested IT controls over the information systems which are used to maintain the completeness and accuracy of related contractual information with each customer.

Substantive testing of the measurement of expected credit losses

• We involved our internal modelling specialist and reviewed the modelling methodologies used for measuring the ECL allowance measurement, and assessed the reasonableness of model selection, key parameters estimation, significant judgments and assumptions in relation to the model.

o Modelling specialist examined the coding for model measurement, and tested whether or not the model for measuring the ECL reflected the modelling methodologies documented by management;

o We verified the financial information and non-financial information of the finance receivables, loans recognized as a result of payment under risk assurance and risk assurance liabilities, relevant external evidence and other factors, to assess the appropriateness of the management's identification of significant increase in credit risk, defaults and credit-impaired receivables;
</td></tr>
</table>

Key Audit Matter	How our audit addressed the Key Audit Matter
The Group assesses whether the ECL of finance receivables, loans recognized as a result of payment under risk assurance and risk assurance liabilities has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their ECL allowance. For loans recognized as a result of payment under risk assurance, which are purchased or originated credit-impaired ("POCI") financial assets, the Group estimates the lifetime expected credit losses. For measuring ECL allowance, the Group adopted a complex model, employed numerous parameters and data inputs, and applied significant management judgments and assumptions with a high degree of estimation uncertainty. The model for measuring the ECL allowance involves significant management judgments and assumptions, primarily for the following: • Choosing appropriate models and assumptions and determination of relevant key measurement parameters; • Criteria for determining whether or not there was a significant increase in credit risk, or a default or impairment loss was incurred; • Economic variables for forward-looking measurements, and the application of economic scenarios and weightings; • Estimated future cash flows for defaulted and credit-impaired finance receivables, risk assurance liabilities and loans recognized as a result of payment under risk assurance. The inherent risk in relation to the measurement of ECL allowance is considered significant due to the complexity of the model and subjectivity of significant assumptions and major data inputs. In addition, the finance receivables, loans recognized as a result of payment under risk assurance, risk assurance liabilities and related provisions accrued involve significant amounts. In view of these reasons, we identified this as a key audit matter.	o We assessed whether the loans recognized as a result of payment under risk assurance were POCI financial assets; o We examined on a sample basis the major data inputs to the information systems to assess their accuracy and completeness. We verified the transmission of major data inputs between the information systems and the model, by utilizing IT audit techniques, to verify their accuracy and completeness; o For forward-looking measurements, we reviewed management's model analysis of their selection of economic variables, economic scenarios and weightings, assessed the reasonableness of the prediction of economic variables, the application of economic scenarios and the setting of weightings and reviewed sensitivity testing of forecasting; o We examined on a sample basis the assumptions used by management to determine expected cash flows for defaulted and credit-impaired finance receivables, risk assurance liabilities and loans recognized as a result of payment under risk assurance based on financial information of latest collateral valuations and other available information in supporting the computation of provisions; • We assessed the adequacy of the disclosures related to ECL allowance in the context of the applicable financial reporting framework. Based on our procedures performed, in the context of the inherent uncertainties associated with measurement of ECL allowance for finance receivables, loans recognized as a result of payment under risk assurance and risk assurance liabilities, we considered the model, data inputs, key parameters, significant judgment and assumptions adopted by management and the measurement results were supportable by the evidence obtained and procedures performed.

Key Audit Matter	How our audit addressed the Key Audit Matter
Fair value measurement of financial assets categorized as level 3 Refer to note 3.3, note 4.1(b) and note 17 to the consolidated financial statements. The Group has invested in certain financial assets at fair value through profit or loss, substantially all measured at fair value using level 3 inputs which were not based on active market prices, nor based on observable market data. The fair value of such investments categorized as level 3 was RMB3,362,034,000 as at 31 December 2024.	*Our procedures in relation to the determination of fair value of financial assets categorized as level 3 included:* **Understanding and evaluating management's assessment process and controls** • We understood and evaluated the internal controls relating to management's model used, development of significant assumptions and major data inputs and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty. **Substantive testing of fair value measurement of financial assets categorized as level 3** • We obtained management's calculation sheets of fair value estimation of financial assets categorized as level 3 and tested the accuracy of the calculation sheets; • We evaluated the independent external appraisal firm's competence, capability and objectivity; • We involved our internal valuation specialist and assessed the appropriateness of the methodologies, including the model used, and key assumptions adopted by management, including but not limited to terminal growth rate, bond yield, marketability, discount rates and volatility; • We compared the input data of revenue growth rates and terminal growth rates in the calculation sheet with management's forecast of future profits, strategic plans and business data;

Key Audit Matter	How our audit addressed the Key Audit Matter
Management assessed and measured the fair value of financial assets categorized as level 3 using particular valuation techniques, with assistance from an external appraisal firm. The valuation process was highly judgmental due to its reliance on management's assumptions such as discount rate, volatility and probability weighting, marketability, liquidation and redemption scenarios, etc. The determination of the model adopted and key inputs required management's significant judgment or estimation. The prescribed value of the financial assets categorized as level 3 is significant to the financial statements. In view of these reasons we identified this as a key audit matter.	• We compared the volatility and discounted rate with comparable companies in the open market to assess the reasonableness of the input data used; • We challenged management regarding its approach for determining the probability weighting, liquidation and redemption scenarios (where applicable), including assessing and analysing the weightings based on our understanding of the investees' business and market condition. Based on the procedures performed, we considered the models used and the judgments and estimates made by management for the determination of fair value of the financial assets categorized as level 3 and the valuation results were supportable by the evidence obtained.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS AND THE AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Yuen Kwok Sun.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 February 2025

CONSOLIDATED INCOME STATEMENT

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Revenues	5		
Transaction Platform Business		**7,894,414**	5,096,571
Self-operated Financing Business		**1,993,319**	1,589,400
		9,887,733	6,685,971
Cost of revenues	7	**(5,251,462)**	(3,438,823)
Gross profit		**4,636,271**	3,247,148
Selling and marketing expenses	7	**(1,020,334)**	(1,051,132)
Administrative expenses	7	**(443,412)**	(351,506)
Operation and servicing expenses	7	**(286,118)**	(278,225)
Research and development expenses	7	**(232,581)**	(193,858)
Credit impairment losses	7	**(1,565,379)**	(728,733)
Other income and other gains, net	6	**45,157**	45,564
Operating profit		**1,133,604**	689,258
Finance cost, net	9	**(28,475)**	(15,175)
Share of (losses)/profits of investments accounted for using equity method	16	**(15,607)**	34,741
Profit before income tax		**1,089,522**	708,824
Income tax expense	10	**(279,584)**	(153,866)
Profit for the year		**809,938**	554,958
Profit attributable to:			
– Owners of the Company		**809,938**	554,958
– Non-controlling interests		**–**	–
		809,938	554,958
Profit per share attributable to owners of the Company for the year (expressed in RMB per share)	11		
– Basic		**0.125**	0.086
– Diluted		**0.120**	0.083

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit for the year	**809,938**	554,958
Other comprehensive income, net of tax:		
Items that may not be reclassified to profit or loss		
Currency translation differences	**34,893**	8,177
Total comprehensive income for the year	**844,831**	563,135
Attributable to:		
– Owners of the Company	**844,831**	563,135
– Non-controlling interests	**–**	–
	844,831	563,135

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

CONSOLIDATED BALANCE SHEET

	Note	As at 31 December **2024** **RMB'000**	 2023 RMB'000
ASSETS			
Non-current assets			
Property and equipment	12	**631,520**	444,073
Right-of-use assets	13	**27,108**	27,603
Intangible assets	14	**673,649**	911,155
Associates and joint ventures using equity method	16	**303,041**	500,353
Financial assets at fair value through profit or loss	17	**3,368,991**	3,459,575
Deferred income tax assets	30	**523,272**	561,351
Prepayments, deposits and other assets	21	**92,431**	506,293
Finance receivables	19	**17,997,701**	14,712,242
Trade receivables	20	**1,990,395**	1,153,042
Restricted cash	22	**33,156**	33,156
		25,641,264	22,308,843
Current assets			
Finance receivables	19	**10,120,181**	9,172,637
Trade receivables	20	**2,917,220**	3,641,289
Prepayments, deposits and other assets	21	**3,179,497**	2,621,365
Restricted cash	22	**2,520,319**	2,083,808
Cash and cash equivalents	22	**4,212,760**	3,479,550
		22,949,977	20,998,649
A joint venture classified as held for sale	16(b)	**–**	267,610
		22,949,977	21,266,259
Total assets		**48,591,241**	43,575,102
EQUITY AND LIABILITIES			
Equity attributable to owners of the Company			
Share capital	23	**4,285**	4,262
Share premium	23	**34,858,220**	34,964,305
Other reserves	24	**1,633,808**	1,296,382
Accumulated losses		**(20,016,180)**	(20,499,779)
Total equity		**16,480,133**	15,765,170

	Note	As at 31 December 2024 RMB'000	2023 RMB'000
Liabilities			
Non-current liabilities			
Borrowings	29	**12,845,901**	10,851,621
Lease liabilities	13	**15,036**	9,609
Deferred income tax liabilities	30	**111,441**	76,420
Other non-current liabilities	31	**832,956**	881,865
		13,805,334	11,819,515
Current liabilities			
Trade payables	26	**964,344**	901,487
Risk assurance liabilities	27	**2,339,355**	1,602,733
Other payables and accruals	28	**671,848**	1,014,614
Current income tax liabilities		**216,392**	152,946
Borrowings	29	**14,103,056**	12,304,161
Lease liabilities	13	**10,779**	14,476
		18,305,774	15,990,417
Total liabilities		**32,111,108**	27,809,932
Total equity and liabilities		**48,591,241**	43,575,102

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

The consolidated financial statements on pages 171 to 276 were approved by the Board of Directors on 27 February 2025 and were signed on its behalf.

Andy Xuan Zhang
Director

Dong Jiang
Director

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 2024		**4,262**	**34,964,305**	**1,296,382**	**(20,499,779)**	**15,765,170**
Comprehensive income						
Profit for the year		–	–	–	809,938	809,938
Currency translation differences	24	–	–	34,893	–	34,893
Total comprehensive income for the year		–	–	34,893	809,938	844,831
Transactions with owners in their capacity as owners						
Share-based compensation	24, 25	–	–	53,901	–	53,901
Appropriation to statutory surplus reserve	24	–	–	326,339	(326,339)	–
Shares issued upon exercise of employee share options	23, 24, 25	–	226	(225)	–	1
Vesting of restricted awarded shares	23, 24, 25	23	71,381	(71,404)	–	–
Purchase of restricted shares under share award scheme	24, 25	–	–	(6,078)	–	(6,078)
Dividends declared	23	–	(177,692)	–	–	(177,692)
Total transactions with owners in their capacity as owners		23	(106,085)	302,533	(326,339)	(129,868)
Balance at 31 December 2024		**4,285**	**34,858,220**	**1,633,808**	**(20,016,180)**	**16,480,133**

	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	24	–	–	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, 24, 25	–	–	74,750	–	74,750
Appropriation to statutory surplus reserve	24	–	–	100,959	(100,959)	–
Shares issued upon exercise of employee share options	23, 24, 25	–	690	(688)	–	2
Vesting of restricted awarded shares	23, 24, 25	24	70,400	(70,424)	–	–
Purchase of restricted shares under share award scheme	24, 25	–	–	(11,474)	–	(11,474)
Dividends declared	23	–	(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

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Year ended 31 December 2024 RMB'000	2023 RMB'000
Cash flows from operating activities			
Cash used in operations	32	**(1,917,709)**	(8,638,409)
Income tax paid		**(80,614)**	(12,581)
Net cash used in operating activities		**(1,998,323)**	(8,650,990)
Cash flows from investing activities			
Interest received		**19,252**	39,161
Proceeds from disposal of property and equipment and intangible assets		**12,970**	3,988
Purchase of property and equipment and other non-current assets		**(235,766)**	(30,184)
Purchase of intangible assets		**(9,004)**	(611)
Loans to third parties and related parties		**(2,000)**	(206,000)
Collection of loans to third parties and related parties		**60,480**	419,000
Investments in financial assets at fair value through profit or loss		**(28,035)**	(226,790)
Proceeds from financial assets		**3,509**	20,216
Investments in associates		**(129,048)**	(54,000)
Prepayment for equity transactions	15、21	**(50,000)**	(384,000)
Proceeds from disposal of a joint venture	16	**263,191**	–
Dividends from a joint venture		**–**	14,470
Cash acquired from acquisition of a subsidiary, net of consideration paid	15	**59,688**	–
Placements of restricted cash		**(50,856)**	(440,257)
Maturity of restricted cash		**277,231**	62,483
Net cash generated from/(used in) investing activities		**191,612**	(782,524)
Cash flows from financing activities			
Proceeds from borrowings		**26,146,312**	22,698,401
Repayment of borrowings		**(22,389,888)**	(12,137,996)
Release/(Payment) of deposits for borrowings		**66,999**	(18,846)
Principal elements of lease payments		**(15,338)**	(15,501)
Proceeds from exercise of share options		**1**	2
Purchase of restricted shares under share award scheme	24	**(6,078)**	(11,474)
Dividends paid to company's shareholders		**(177,681)**	(191,963)
Interest paid		**(1,060,371)**	(836,188)
Net cash generated from financing activities		**2,563,956**	9,486,435
Net increase in cash and cash equivalents		**757,245**	52,921
Cash and cash equivalents at beginning of year		**3,479,550**	3,433,182
Exchange losses on cash and cash equivalents		**(24,035)**	(6,553)
Cash and cash equivalents at end of year		**4,212,760**	3,479,550

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, software-as-a-service ("SaaS") services, value-added services and guarantee 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 (Note 33).

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 2024, 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", Macau Pataca is defined as "MOP" and Thai Baht is defined as "THB".

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 critical to the consolidated financial statements are disclosed in Note 4.

2 BASIS OF PREPARATION AND ACCOUNTING POLICIES (CONTINUED)

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 2024:

Standards and amendments	Effective for annual periods beginning on or after
Classification of Liabilities as Current or Non-current – Amendments to International Accounting Standards (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

The above amendments to IFRS effective for the financial year beginning on 1 January 2024 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 2024 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
Lack of Exchangeability – Amendments to IAS 21	1 January 2025
Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual improvements to IFRS Accounting Standards – Volume 11 – Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7	1 January 2026
Presentation and Disclosure in Financial Statements – IFRS 18	1 January 2027
Subsidiaries without Public Accountability: Disclosures – IFRS 19	1 January 2027
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) Market risk

(i) Foreign exchange risk

The transactions of the Company are denominated and settled in its functional currency, USD. The Group's subsidiaries operate in the PRC and are exposed to foreign exchange risk arising from USD. The Group's foreign exchange risk primarily arises when the recognized assets and liabilities of the Group's PRC subsidiaries are denominated in USD. Considering that the HKD is pegged with the USD and that the size of transactions denominated in SGD, MOP and THB is immaterial, management is of the opinion that the currency exposure arising from above currencies transactions is not significant to the Company.

The Group uses foreign currency forwards and a cross currency interest rate swap arrangement to hedge its exposure to foreign currency risk. Under the Group's policy, the key terms of the forwards must align with the hedged items.

The Group only designates the spot component of foreign currency forwards in hedge relationships. The spot component is determined with reference to relevant spot market exchange rates. The differential between the contracted forward rate and the spot market exchange rate is defined as the forward points. It is discounted, where material.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(a) Market risk (Continued)

(i) Foreign exchange risk (Continued)

The changes in the forward element of the foreign currency forwards that relate to hedged items are deferred in the costs of hedging reserve.

For the Group's PRC subsidiaries whose functional currency is RMB, if USD had strengthened/weakened by 5% against RMB with all other variables held constant, the profit for the years ended 31 December 2024 and 2023 would have been approximately RMB266,914 higher/lower and RMB1,589,301 lower/higher, respectively, as a result of net foreign exchange gains/losses on translation of net monetary assets denominated in USD.

(ii) Cash flow and fair value interest rate risk

The Group's interest rate risk arises from the Group's borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk, which is partially offset by cash held at variable rates, whereas those carried at fixed rates expose the Group to fair value interest-rate risk. Generally, the Group enters into long-term borrowings at floating rates and swaps them into fixed rates that are lower than those available if the Group borrowed at fixed rates directly.

The exposure of the Group's borrowings to interest rate changes and fixed rate borrowings at the end of the reporting period are as follows:

	2024 RMB'000	**% of total loans**	2023 RMB'000	% of total loans
Variable rate borrowings	**1,801,013**	**6.68%**	3,440,980	14.86%
Fixed rate borrowings				
Within 1 year	**12,540,335**	**46.53%**	9,568,245	41.32%
Between 1 and 2 years	**6,720,895**	**24.94%**	5,230,055	22.59%
Between 2 and 5 years	**5,882,602**	**21.83%**	4,905,302	21.18%
Over 5 years	**4,112**	**0.02%**	11,200	0.05%
	26,948,957	**100.00%**	23,155,782	100.00%

If interest rates on the borrowings at variable rates had risen/fallen 100 basis points while all other variables had been held constant, the Group's profit for the years ended 31 December 2024 and 2023 would have been approximately RMB5,643,000 lower/higher and RMB25,309,000 lower/higher, respectively.

Swaps currently in place cover 4.9% (2023: 0.4%) of the variable loan principal outstanding. The fixed interest rate of the swaps is 5.6% (2023: 5.25%).

The swap contracts require settlement of net interest receivable or payable upon the due date of the borrowings. The settlement dates coincide with the dates on which interest is payable on the underlying debt.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk

(i) Risk management and impairment of financial instruments

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 measured at FVPL are considered to be low risk investments.

Trade receivables, other receivables, finance receivables, and risk assurance liabilities of the Group are subject to the expected credit loss model. While cash and cash equivalents, restricted cash and the Group's investments in debt instruments are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement

Models

IFRS 9 outlines a 'three-stage' model for impairment based on changes in credit quality since initial recognition except for purchased or originated credit-impaired ("POCI") financial assets 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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

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 except for POCI financial assets 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-month (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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

Measuring ECL-Explanation of inputs, assumptions and estimation techniques (Continued)

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).

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.

POCI financial assets

For POCI financial assets, the Group only recognises cumulative changes in lifetime ECL after initial recognition at the end of the reporting period as loss provision.

Forward-looking information incorporated in the ECL models

The calculation of ECL incorporates 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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

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 2024					
	Stage I 12 months expected credit loss RMB'000	Stage II Lifetime expected credit losses RMB'000	Stage III Lifetime expected credit losses RMB'000	Purchased or originated credit-impaired loans Lifetime expected credit losses RMB'000	Simplified Approach Lifetime expected credit losses RMB'000	Total RMB'000
Cash and cash equivalents	4,212,760	–	–	–	–	4,212,760
Restricted cash	2,553,475	–	–	–	–	2,553,475
Finance receivables	28,399,713	126,044	524,552	–	–	29,050,309
Trade receivables	–	–	–	–	4,941,727	4,941,727
Other receivables	1,987,575	173,920	122,462	719,180	–	3,003,137
Gross balance	37,153,523	299,964	670,014	719,180	4,941,727	43,761,408
Allowance for impairment losses	(622,150)	(84,734)	(366,118)	(104,339)	(34,112)	(1,211,453)
Net balance	36,531,373	215,230	280,896	614,841	4,907,615	42,549,955
Off balance-sheet items	73,705,913	821,141	–	–	–	74,527,054
Risk assurance liabilities	(2,185,159)	(154,196)	–	–	–	(2,339,355)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

Maximum exposure to credit risk-Financial instruments subject to impairment (Continued)

	Maximum exposure to credit risk of the Group As at 31 December 2023					
	Stage I	Stage II	Stage III	Purchased or originated credit-impaired loans	Simplified Approach	Total
	12 months expected credit loss	Lifetime expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	Lifetime expected credit losses	
	RMB'000	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	141,919	742,517	–	2,352,997
Gross balance	31,082,939	138,586	624,651	742,517	4,817,902	37,406,595
Allowance for impairment losses	(481,112)	(48,920)	(325,717)	(97,181)	(23,571)	(976,501)
Net balance	30,601,827	89,666	298,934	645,336	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)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

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 2024 and 2023 was determined as follows for finance receivables:

31 December 2024	**Stage I RMB'000**	**Stage II RMB'000**	**Stage III RMB'000**	**Total RMB'000**
Expected loss rate	**2.10%**	**48.89%**	**52.28%**	**3.21%**
Gross carrying amount (Note 19)	**28,399,713**	**126,044**	**524,552**	**29,050,309**
Provision for expected credit losses	**596,549**	**61,627**	**274,251**	**932,427**

31 December 2023	Stage I RMB'000	Stage II RMB'000	Stage III RMB'000	Total RMB'000
Expected loss rate	1.92%	49.12%	51.77%	3.06%
Gross carrying amount (Note 19)	24,069,864	86,586	482,732	24,639,182
Provision for expected credit losses	461,847	42,527	249,929	754,303

The forward-looking assumptions used for the ECL estimate as at 31 December 2024 are M2 and Gross Domestic Product ("GDP") (31 December 2023: M2 and Producer Price Index ("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. On 31 December 2024, the weightings allocated to each economic scenario were 85% base, 10% upside and 5% downside (31 December 2023: the weightings allocated to each economic scenario were 85% base, 10% upside and 5% downside).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

Finance receivables (Continued)

As at 31 December 2024, the Group has assessed and forecasted the key macroeconomic indicators for 2025 are as follows:

Indicator	Range
GDP	3%~6%
M2	6.4%~8.2%

A sensitivity analysis is performed on the key economic variables, namely M2 and GDP. Set out below are the changes to the ECL as at 31 December 2024 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%	45,979	2,426	(38,055)
GDP	No Change	43,357	–	(40,300)
	5%	40,752	(2,410)	(42,530)

Finance receivables are written off when there is no reasonable expectation of recovery (Note 19). 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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

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 counterparties with reference to external credit rating and historical observed default rates. 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 2024, the total outstanding balance of loans funded by financial institutions under such arrangements was RMB73,922 million (2023: RMB47,554 million). As at 31 December 2024, the risk assurance liabilities recognised by the Group under such financial guarantee contracts was RMB2,325.7 million (2023: RMB1,589.1 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.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

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

The forward-looking assumptions used for the ECL estimate as at 31 December 2024 are M2 and GDP (31 December 2023: M2 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. On 31 December 2024, the weightings allocated to each economic scenario were 85% base, 10% upside and 5% downside (31 December 2023: the weightings allocated to each economic scenario were 85% base, 10% upside and 5% downside).

As at 31 December 2024, the Group has assessed and forecasted the key macroeconomic indicators for 2025 are as follows:

Indicator	Range
GDP	3%~6%
M2	6.4%~8.2%

A sensitivity analysis is performed on the key economic variables, namely M2 and GDP. Set out below are the changes to the ECL as at 31 December 2024 that would result from reasonably possible changes in these parameters from the actual assumptions used in the Group’s economic variable assumptions:

		M2 -5% RMB’000	 No Change RMB’000	 5% RMB’000
	-5%	56,097	14,999	(24,191)
GDP	No Change	41,098	–	(39,190)
	5%	26,329	(14,768)	(53,958)

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(b) Credit risk (Continued)

(ii) Expected credit loss measurement (Continued)

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

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 2024, the total outstanding redemption price under the guarantee agreement was RMB605 million (2023: RMB605 million). As at 31 December 2024, the risk assurance liabilities recognised by the Group under such guarantee contracts was RMB13.6 million (2023: RMB13.6 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.

(c) Liquidity risk

The Group aims to maintain sufficient cash and cash equivalents. Due to the dynamic nature of the underlying businesses, the policy of the Group is to consistently monitor the Group's liquidity risk and to maintain adequate cash and cash equivalents to meet the Group's liquidity requirements.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

The following table shows the remaining contractual maturities (or the earliest date a financial liability may become payable in the absence of a fixed maturity date) at the balance sheet date of the Group's financial assets and financial liabilities based on contractual undiscounted cash flows:

	Note	Less than 1 year RMB'000	Over 1 year RMB'000	Total RMB'000
At 31 December 2024				
Financial assets				
Finance receivables		11,962,423	19,709,292	31,671,715
Trade receivables	20	2,917,220	2,181,136	5,098,356
Deposits and other financial assets		2,961,741	11,187	2,972,928
Restricted cash		2,520,319	33,156	2,553,475
Cash and cash equivalents	22	4,212,760	–	4,212,760
		24,574,463	21,934,771	46,509,234
Financial liabilities				
Borrowings		14,103,056	12,845,901	26,948,957
Trade payables	26	964,344	–	964,344
Lease liabilities		11,734	18,808	30,542
Other financial liabilities		2,589,485	3,489	2,592,974
		17,668,619	12,868,198	30,536,817
Net		6,905,844	9,066,573	15,972,417

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.1 Financial risk factors (Continued)

(c) Liquidity risk (Continued)

	Note	Less than 1 year RMB'000	Over 1 year RMB'000	Total RMB'000
At 31 December 2023				
Financial assets				
Finance receivables		10,743,975	16,064,154	26,808,129
Trade receivables	20	3,641,289	1,253,305	4,894,594
Deposits and other financial assets		2,454,774	86,169	2,540,943
Restricted cash		2,083,808	33,156	2,116,964
Cash and cash equivalents	22	3,479,550	–	3,479,550
		22,403,396	17,436,784	39,840,180
Financial liabilities				
Borrowings		16,583,306	10,408,719	26,992,025
Trade payables	26	901,487	–	901,487
Lease liabilities		15,363	10,527	25,890
Other financial liabilities		2,097,882	1,389	2,099,271
		19,598,038	10,420,635	30,018,673
Net		2,805,358	7,016,149	9,821,507

The Group's financial assets at fair value through profit or loss are investments in private companies and debt instruments, which are managed on a fair value basis rather than by maturity dates.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.2 Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'borrowings' as shown in the consolidated balance sheet and loans due to related parties) plus lease liabilities less cash and cash equivalents and restricted cash. Total capital is calculated as 'equity' as shown in the consolidated balance sheets plus net debt.

Under the terms of some borrowing facilities, the Group is required to comply with certain financial covenants. The Group has complied with covenants throughout the reporting period.

The Group's gearing ratio and net position of the Group as at 31 December 2024 and 2023 was as follows:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Borrowings (Note 29)	**26,948,957**	23,155,782
Lease liabilities (Note 13)	**25,815**	24,085
Less: cash and cash equivalents and restricted cash (Note 22)	**(6,766,235)**	(5,596,514)
Net debt	**20,208,537**	17,583,353
Total equity	**16,480,133**	15,765,170
Total capital	**36,688,670**	33,348,523
Gearing ratio	**55%**	53%

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation

The table below analyzes the Group's financial instruments carried at fair value as at 31 December 2024 and 2023, by level of the inputs to valuation techniques used to measure fair value. Such inputs are categorized into three levels within a fair value hierarchy as follows:

- level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs)

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2024:

	Level 1 RMB'000	**Level 2 RMB'000**	**Level 3 RMB'000**	**Total RMB'000**
Assets:				
Financial assets at fair value through profit or loss (Note 17)	**–**	**6,957**	**3,362,034**	**3,368,991**

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2023:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Assets:				
Financial assets at fair value through profit or loss (Note 17)	–	8,114	3,451,461	3,459,575

(a) Financial instruments in level 1

The fair value of financial instruments traded in active markets is based on quoted market prices at each of the reporting dates. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(b) *Financial instruments in level 2*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(c) *Financial instruments in level 3*

Level 3 instruments of the Group's assets and liabilities include financial assets at fair value through profit or loss.

The following table presents the changes in level 3 instruments of financial assets at fair value through profit or loss for the years ended 31 December 2024 and 2023.

	Financial assets at fair value through profit or loss	
	2024 RMB'000	2023 RMB'000
At 1 January	**3,451,461**	3,198,001
Additions	**28,035**	306,790
Disposals	**(56,864)**	(9,170)
Change in fair value	**(100,254)**	(84,190)
Currency translation differences	**39,656**	40,030
At 31 December	**3,362,034**	3,451,461
Total unrealized gains and change in fair value for the year	**(100,254)**	(84,190)

There is no transfer from level 1 and level 2 instruments to level 3 for the year ended 31 December 2024 (2023: nil).

3 FINANCIAL RISK MANAGEMENT (CONTINUED)

3.3 Fair value estimation (Continued)

(c) Financial instruments in level 3 (Continued)

The Group has a team that manages the valuation exercise of level 3 instruments for financial reporting purposes on a case by case basis. On each balance sheet date, the team would use valuation techniques to determine the fair value of the Group's level 3 instruments. External valuation experts will be involved when necessary.

The valuation of the level 3 instruments mainly included investments in private companies and debt instruments. As these instruments are not traded in an active market, their fair values have been determined using various applicable valuation techniques.

	Fair value at 31 December 2024 RMB'000	Valuation technique	Significant unobservable inputs	Percentage or ratio range	Relationship of unobservable inputs to fair value
Unlisted securities	**141,402**	Discounted cash flow model	WACC (Weighted Average Cost of Capital)	14%-27%	The higher the expected WACC, the lower the fair value.
			Terminal growth rate	2%	The higher the expected terminal growth rate, the higher the fair value.
	641,779	Market approach	LOMD (Lack of Marketability Discount)	20.5%-33.1%	The higher the expected LOMD, the lower the fair value.
Debt instruments	**2,578,853**	Market approach	LOMD	20.5%	The higher the expected LOMD, the lower the fair value.
		Binomial Model	Bond Yield	13.5%	The higher the expected Bond Yield, the lower the fair value.

If the fair values of the financial assets at fair value through profit or loss held by the Group had been 10% higher/lower, profit for the years ended 31 December 2024 and 2023 would have been approximately RMB318,087,000 higher/lower and RMB319,397,000 higher/lower, respectively.

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.

4.1 Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) *Provisions for expected credit losses of finance receivables, loans recognized as a result of payment under risk assurance and risk assurance liabilities*

The provisions for expected credit losses of finance receivables, loans recognized as a result of payment under risk assurance and risk assurance liabilities are based on assumptions about risk of default and expected loss rates. Management uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in the tables in Note 3.1(b).

(b) *Fair value of financial instruments in level 3*

The fair value of financial assets that are not traded in an active market (for example, investments in private companies) is determined by using valuation techniques. The Group uses its judgment to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period. Changes in these assumptions and estimates could materially affect the respective fair value of these financial assets.

(c) *Impairment provision for trade and other receivables (other than loans recognized as a result of payment under risk assurance)*

Management assesses the impairment of trade and other receivables according to the trade and other receivables' prior performances, forward-looking information, credit conditions of the customers' and the industries that the customers are in, as well as applying management's judgments and estimates when determining the impairment to be recognized. Management reassesses the provision at each balance sheet date. Where the basis of judgments and estimates is different from the initial assessment, such differences will impact the provision for impairment and the carrying values of the trade and other receivables. Details of the key assumptions and inputs used are disclosed in Note 3.1(b).

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS (CONTINUED)

4.1 Critical accounting estimates and assumptions (Continued)

(d) Estimated impairment of non-financial assets

The Group tests whether goodwill has suffered any impairment on an annual basis. Other non-financial assets are also reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset exceeds its recoverable amount. The assets are allocated to each of CGUs, or groups of CGUs. As at 31 December 2024 and 2023, the recoverable amount of CGU was determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated in Note 14. These growth rates are consistent with management's financial forecast and budget. Details of key assumptions are disclosed in Note 14.

(e) Recognition of deferred income tax assets

Deferred income tax assets are mainly recognised for temporary differences such as provisions for expected credit losses, accrued expenses, unused tax losses carried forward to the extent that it is probable that future taxable profits will be available against which deductible temporary differences and the unused tax losses can be utilised, based on all available evidence. Recognition primarily involves judgment regarding the future financial performance of the particular legal entity or tax group in which the deferred income tax asset has been recognised. A variety of other factors are also evaluated in considering whether there is convincing evidence that it is probable that some portion or all of the deferred income tax assets will ultimately be realised, such as the existence of taxable temporary differences, group relief, tax planning strategies and the periods in which estimated tax losses can be utilised. The carrying amount of deferred income tax assets and related financial models and budgets are reviewed at each balance sheet date and to the extent that there is insufficient convincing evidence that sufficient taxable profits will be available within the utilization periods to allow utilization of the carry forward tax losses, the asset balance will be reduced and the difference charged to the consolidated income statement. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax provisions and deferred income tax assets and liabilities in the period in which such determination is made.

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 2024 are as follows:

	Year ended 31 December 2024		
	Transaction Platform Business RMB'000	Self-operated Financing Business RMB'000	Total RMB'000
Revenues	7,894,414	1,993,319	9,887,733
– Recognized at a point in time	6,370,546	178	6,370,724
– Recognized over time	1,523,868	–	1,523,868
– Recognized over the lease or contractual term	–	1,993,141	1,993,141
Gross profit	3,689,423	946,848	4,636,271
Operating profit/(loss)	1,171,255	(37,651)	1,133,604

5 SEGMENT INFORMATION (CONTINUED)

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

	Year ended 31 December 2023		
	Transaction Platform Business RMB'000	Self-operated Financing Business RMB'000	Total 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	–	963,216
– Recognized over the lease or contractual term	–	1,589,400	1,589,400
Gross profit	2,480,337	766,811	3,247,148
Operating profit/(loss)	834,530	(145,272)	689,258

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 2024 and 2023, 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 2024 and 2023 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 2024			
	Recognized at a point in time RMB'000	**Recognized over time RMB'000**	**Recognized over the lease or contractual term RMB'000**	**Total RMB'000**
Transaction Platform Business:	**6,370,546**	**1,523,868**	**–**	**7,894,414**
– Loan facilitation services	**4,317,600**	**–**	**–**	**4,317,600**
– SaaS services	**1,803,835**	**–**	**–**	**1,803,835**
– Guarantee services	**–**	**1,523,868**	**–**	**1,523,868**
– Value-added services	**249,111**	**–**	**–**	**249,111**
Self-operated Financing Business:	**178**	**–**	**1,993,141**	**1,993,319**
– Financing lease services	**–**	**–**	**1,960,214**	**1,960,214**
– Factoring services and other automobile services	**178**	**–**	**32,927**	**33,105**
Total	**6,370,724**	**1,523,868**	**1,993,141**	**9,887,733**

5 SEGMENT INFORMATION (CONTINUED)

	Year ended 31 December 2023			
	Recognized at a point in time RMB'000	Recognized over time RMB'000	Recognized over the lease or contractual term RMB'000	Total RMB'000
Transaction Platform Business:	4,133,355	963,216	–	5,096,571
– Loan facilitation services	3,445,250	–	–	3,445,250
– SaaS services	462,679	–	–	462,679
– Guarantee services	–	963,216	–	963,216
– Value-added services	225,426	–	–	225,426
Self-operated Financing Business:	–	–	1,589,400	1,589,400
– Financing lease services	–	–	1,570,398	1,570,398
– Factoring services and other automobile services	–	–	19,002	19,002
Total	4,133,355	963,216	1,589,400	6,685,971

5 SEGMENT INFORMATION (CONTINUED)

Accounting policies of revenue recognition

Revenue is measured at the transaction price which is the amount of consideration to which the Group is entitled to in exchange for transferring promised services or goods to the customer. The Group allocate the transaction price to each performance obligation based on the relative stand-alone selling prices. Revenue for each performance obligation is then recognised when the Group satisfies the performance obligation by transferring the promised goods or services to the customer.

(a) Transaction Platform Business

The Group mainly provides (i) loan facilitation services, (ii) guarantee services, (iii) SaaS services, and (iv) value-added services. Revenue is measured at the transaction price which is the amount of consideration to which the Group is entitled to in exchange for transferring promised services or goods to the customer. The Group allocates the transaction price to each performance obligation based on the relative stand-alone selling price. Revenue for each performance obligation is then recognised when the Group satisfies the performance obligation by transferring the promised goods or services to the customer.

The Group recognizes revenue from loan facilitation services when assisting the customers to complete an automobile financing transaction. Revenue is recognised at point-in-time when performance obligation of the service has been satisfied, being when a transaction is fulfilled and completed. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring the promised services to its customers, net of value-added tax. The transaction price is limited to the amount of consideration that is probable not to be reversed in future periods. The Group assesses whether the estimate of variable consideration is constrained. A receivable is also recognised as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The Group recognizes revenue from the provision of guarantees. The amount of the guarantee is recognised when guarantee contracts have been made whereby the related guarantee obligation has been accepted, the economic benefits associated with the guarantee contracts will probably flow in, and the amount of revenue associated with guarantee contracts can be measured reliably. The fair value of the guarantee is initially recognised as deferred income, which is included in "Risk assurance liabilities" on the Group's consolidated balance sheet, and is amortised to profit or loss over the term of the guarantee as guarantee service income.

The Group provides SaaS services to institutions in auto financing area which includes technology applications and technology-enabled business solutions. SaaS services help institutional clients expand business, improve efficiency, and reduce risks. Revenue is recognised at the point-in-time the technology applications and other software-as-a-service are performed.

The Group provides value-added services to car buyers which includes insurance facilitation services. Insurance facilitation services mainly involve facilitating vehicle replacement service binding to related liability insurance provided by insurance companies. Value-added service revenue is recognized at the point of time the insurance facilitation services are performed.

5 SEGMENT INFORMATION (CONTINUED)

Accounting policies of revenue recognition (Continued)

(a) Transaction Platform Business (Continued)

Financing components

Other than loan facilitation services, guarantee services and SaaS services, the Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust such transaction prices for the time value of money.

(b) Self-operated Financing Business

The Group provides automobile financing lease services to individual customers and automobile dealers on its self-operated online automobile financial platform through two models: direct financing lease and sales-and-leaseback. In a direct financing lease arrangement, revenue is recognized over the lease period on a systematic and rational basis so as to produce a constant periodic rate of return on the net investment in the financing leases. In a sales-and-leaseback arrangement, the transaction is in substance a collateral financing and revenue is recognized over the lease period using the effective interest rate method. The Group also provides automobile operating lease services to individual and corporate customers. Revenue from these services is recognized on a straight-line basis over the lease period.

6 OTHER INCOME AND OTHER GAINS, NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Negative goodwill in relation to bargain purchase (Note 15)	**100,992**	–
Fair value losses on financial assets (Note 17)	**(97,063)**	(82,462)
Other income from business cooperation arrangements with Yusheng Holdings Limited ("Yusheng") (Note 31(a))	**65,481**	64,791
Foreign exchange losses, net	**(33,593)**	(8,707)
Government grants	**13,649**	32,793
Impairment loss of an associate (Note 16)	**(12,031)**	–
Bank fees and charges	**(11,219)**	(11,594)
Investment income	**190**	11,046
Others, net	**18,751**	39,697
Total	**45,157**	45,564

Accounting policies of government grants

Government grants relating to costs are deferred and recognized in the consolidated income statement over the period necessary to match them with the costs that they are intended to compensate. The Group does not have government grants relating to property and equipment, and other non-current assets.

7 EXPENSES BY NATURE

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Commission fees incurred for transaction platform business	4,137,977	2,545,006
Employee benefit expenses	1,019,394	945,227
Funding costs	1,007,293	781,629
Provision for expected credit losses:		
– Risk assurance liabilities	645,949	158,059
– Finance receivables	524,766	293,710
– Other receivables	382,996	276,981
– Trade receivables	11,668	(17)
Depreciation and amortization charges	306,342	295,934
Expenses incurred for self-operated financing lease business	229,637	250,382
Office and administrative expenses	203,750	170,082
Marketing and advertising expenditures	157,281	202,913
Auditors' remuneration		
– Audit services	6,566	6,980
– Non-audit services	1,338	580
Reversal of provision for impairment of other non-current assets	(8,494)	(2,354)
Other expenses	172,823	117,165
Total	8,799,286	6,042,277

8 EMPLOYEE BENEFIT EXPENSES

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Wages, salaries and bonuses	738,282	678,959
Pension and benefits	226,865	191,518
Share-based compensation expenses	54,247	74,750
Total employee benefit expenses	1,019,394	945,227

8 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(a) Senior management's emoluments

Senior management includes executive directors and other senior management personnel. The aggregate compensation paid/payable to senior management for employee services is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Wages and salaries	**14,505**	12,003
Bonuses	**5,158**	3,252
Pension and benefits	**720**	659
Share-based compensation expenses	**32,277**	27,222
	52,660	43,136

The emoluments fell within the following bands:

	Numbers of individuals Year ended 31 December	
	2024	2023
HKD4,000,001 to HKD4,500,000	**–**	1
HKD5,500,001 to HKD6,000,000	**–**	1
HKD6,500,001 to HKD7,000,000	**1**	–
HKD9,000,001 to HKD9,500,000	**1**	1
HKD9,500,001 to HKD10,000,000	**1**	–
HKD13,500,001 to HKD14,000,000	**1**	–
HKD14,000,001 to HKD14,500,000	**–**	2
HKD18,500,001 to HKD19,000,000	**1**	–
	5	5

8 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

(b) Five highest paid individuals

The five individuals whose emoluments were the highest in the Group for the year ended 31 December 2024 include 2 director (2023: 1) whose emolument is reflected in the analysis shown in Note 34. The emoluments payable to the remaining 3 for each of the year ended 31 December 2024 (2023: 4) are as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Wages and salaries	**11,476**	6,929
Bonuses	**750**	3,192
Pension and benefits	**305**	409
Share-based compensation expenses	**16,673**	24,257
	29,204	34,787

The emoluments fell within the following bands:

	Numbers of individuals Year ended 31 December	
	2024	2023
HKD5,500,001 to HKD6,000,000	**–**	1
HKD9,000,001 to HKD9,500,000	**2**	2
HKD13,500,001 to HKD14,000,000	**1**	–
HKD14,000,001 to HKD14,500,000	**–**	1
	3	4

For the years ended 31 December 2024 and 2023, there was no emolument paid by the Group to any of the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

8 EMPLOYEE BENEFIT EXPENSES (CONTINUED)

Accounting policies of employee benefits

(a) *Pension obligations*

The Group's subsidiaries operating in the PRC have to make contribution to staff retirement scheme managed by local government authorities in accordance with the relevant rules and regulations. Contributions to these schemes are charged to the consolidated income statement as and when incurred. The Group has no legal or constructive obligations to pay further contributions.

The Company does not operate any other defined contribution schemes, and as such, there is no forfeited contributions, nor does the Company employ any actuary for defined benefit plans.

(b) *Employee leave entitlements*

Employee entitlements to annual leave are recognized when accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date. Employee entitlements to sick leave and maternity leave are not recognized until the time of leave.

(c) *Bonus plans*

The expected cost of bonuses is recognized as a liability when the Group has a present legal or constructive obligation for payment of bonus as a result of services rendered by employees and a reliable estimate of the obligation can be made. Liabilities for profit sharing and bonus plans are expected to be settled within 1 year and are measured at the amounts expected to be paid when they are settled.

9 FINANCE COST, NET

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Finance income:		
– Interest income	**71,550**	71,854
Finance expenses:		
– Interest expenses	**(100,025)**	(87,029)
Net finance cost	**(28,475)**	(15,175)

10 INCOME TAX EXPENSE

Income tax expense of the Group for the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Current income tax expense	**137,573**	20,007
Deferred income tax (Note 30)	**142,011**	133,859
Income tax expense	**279,584**	153,866

The reconciliation of Group's actual income tax expense to the Group's theoretical income tax amount that would arise using the tax rate of 25%, being the tax rate applicable to the major consolidated entities is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	**1,089,522**	708,824
Tax calculated at PRC statutory income tax rate of 25%	**272,381**	177,206
Tax effects of:		
– Differential income tax rates applicable to certain entities comprising the Group (Note (a), (b), (d))	**50,091**	31,366
– Tax effect of preferential tax treatments (Note (c))	**(388,402)**	(197,726)
– Expenses not deductible for tax purposes	**127,153**	59,502
– Tax losses and temporary differences for which no deferred income tax asset was recognized	**96,492**	14,244
– Utilization of previously unrecognized tax losses	**(2,181)**	(13,478)
– Additional deduction of research and development expense	**(2,250)**	(2,250)
– Withholding tax on earnings remitted/expected to be remitted by subsidiaries (Note (e))	**46,473**	67,417
– Reversal of previously recognised deferred tax assets	**82,040**	4,880
– Others	**(2,213)**	12,705
Income tax expense	**279,584**	153,866

(a) Cayman Islands and British Virgin Islands ("BVI") Income Tax

The Company is incorporated under the law of the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands and accordingly, is exempted from Cayman Islands income tax. The Group entities established under the International Business Companies Acts of BVI are exempted from BVI income taxes.

10 INCOME TAX EXPENSE (CONTINUED)

(b) Hong Kong Income Tax

The entity incorporated in Hong Kong is subject to Hong Kong profits tax of which the tax rate is 8.25% for assessable profits in the first HKD2 million and 16.5% for any assessable profits in excess of HKD2 million. No Hong Kong profits tax was provided for as there was no estimated assessable profit that was subject to Hong Kong profits tax for the years ended 31 December 2024 and 2023.

(c) PRC Enterprise Income Tax ("EIT")

The income tax provision of the Group in respect of its operations in PRC was calculated at the tax rate of 25% on the assessable profits for the years ended 31 December 2024 and 2023, based on the existing legislation, interpretations and practices in respect thereof.

Effective for 3 years commencing from the year ended 31 December 2022, Shanghai Lanshu Information Technology Co., Ltd. ("Shanghai Lanshu") was accredited as a "High-tech enterprise", and is entitled to a preferential corporate income tax rate of 15% according to relevant existing PRC laws since 2022.

In accordance with relevant PRC laws and regulations, Xinjiang Wanhong Information Technology Co., Ltd. ("Xinjiang Wanhong") is exempted from EIT for five years, commencing from the first operation income-generating year and exempted from EIT in the year ended 31 December 2024 and 2023. Exempted from the local-sharing part of EIT for five years, commencing from the 6th operation income-generating year, Xinjiang Wanxing Information Technology Co., Ltd. ("Xinjiang Wanxing") is eligible to enjoy a reduced EIT rate of 9% in the year ended 31 December 2024 and 2023. Exempted from the local-sharing part of EIT for five years, commencing from the 6th operation income-generating year, Xinjiang Yin'an Information Technology Co., Ltd. ("Xinjiang Yin'an") is subject to an EIT tax rate of 15% in the year ended 31 December 2024 and 2023.

(d) Enterprise income tax in other jurisdictions

Income tax on profit arising from other jurisdictions, including Singapore, Japan and Thailand, had been calculated on the estimated assessable profit for the year at the respective rates prevailing in the relevant jurisdictions, ranging from 17% to 23.2%.

(e) PRC Withholding Tax ("WHT")

According to the PRC Enterprise Income Tax Law ("EIT Law"), distribution of profits earned by PRC companies since 1 January 2008 to foreign investors is subject to withholding tax of 5% or 10%, depending on the country of incorporation of the foreign investor, upon the distribution of profits to overseas-incorporated immediate holding companies.

Deferred income tax liability on WHT is accrued based on the best estimation when the Group has a plan to require its PRC subsidiaries to distribute their retained earnings. For the year ended 31 December 2024, the Group had a plan to require its PRC subsidiary to distribute its retained earnings to overseas-incorporated immediate holding company. Accordingly, the Group accrued deferred income tax liability on WHT on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated.

Accounting policies of current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Income tax is recognized in the consolidated income statement, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the income tax is also recognized in other comprehensive income or directly in equity, respectively.

10 INCOME TAX EXPENSE (CONTINUED)

Accounting policies of current and deferred income tax (Continued)

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(b) Deferred income tax

Inside basis differences

Deferred income tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill or the initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction neither accounting nor taxable profit or loss is affected and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Outside basis differences

Deferred income tax liabilities are provided on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except for deferred income tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Generally the Group is unable to control the reversal of the temporary difference for associates. Only when there is an agreement in place that gives the Group the ability to control the reversal of the temporary difference in the foreseeable future, deferred tax liability in relation to taxable temporary differences arising from the associate's undistributed profits is not recognized.

Deferred income tax assets are recognized on deductible temporary differences arising from investments in subsidiaries and associates and joint arrangements only to the extent that it is probable the temporary difference will reverse in the future and there is sufficient taxable profit available against which the temporary difference can be utilized.

(c) Offsetting

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

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	
	2024	2023
	RMB'000	RMB'000
Weighted average number of issued ordinary shares	**6,456,835,246**	6,422,972,470
Less: shares held for restricted share scheme	**(2,065,428)**	(3,080,468)
Weighted average number of issued ordinary shares for calculating basic earnings per share	**6,454,769,818**	6,419,892,002
Profit attributable to owners of the Company for calculating basic earnings per share (RMB'000)	**809,938**	554,958
Diluted impact on profit (RMB'000)	**–**	–
Profit attributable to owners of the Company for calculating diluted earnings per share (RMB'000)	**809,938**	554,958
Numbers of restricted shares with potential dilutive effect (Note (b))	**278,306,854**	285,762,087
Weighted average number of issued ordinary shares for calculating diluted earnings per share (Note (b))	**6,733,076,672**	6,705,654,089
Earnings per share		
– Basic (RMB per share)	**0.125**	0.086
– Diluted (RMB per share) (Note (a))	**0.120**	0.083

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 2024 and 2023, 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 25).

(b) For the year ended 31 December 2024, 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 2024					
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
For the year ended 31 December 2024					
Opening net book amount	397,227	19,351	23,091	4,404	444,073
Business combination (Note 15)	–	307	–	16	323
Additions	68,150	115,296	59,722	161	243,329
Disposals	(127)	(2,436)	(11,106)	–	(13,669)
Depreciation charge	(14,690)	(15,715)	(10,674)	(1,544)	(42,623)
Currency translation differences	2	81	3	1	87
Closing net book amount	450,562	116,884	61,036	3,038	631,520
As at 31 December 2024					
Cost	522,242	195,692	82,201	7,325	807,460
Accumulated depreciation	(71,682)	(78,893)	(21,175)	(4,308)	(176,058)
Currency translation differences	2	85	10	21	118
Net book amount	450,562	116,884	61,036	3,038	631,520

12 PROPERTY AND EQUIPMENT (CONTINUED)

	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

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

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Cost of revenues	**–**	–
Selling and marketing expenses	**15,043**	13,094
Administrative expenses	**20,989**	15,674
Research and development expenses	**6,591**	2,365
	42,623	31,133

Accounting policies of property and equipment

Depreciation on property and equipment is calculated using the straight-line depreciation method to allocate their cost to their residual values over their estimated useful lives, as follows:

–	Buildings	40 or 64 years
–	Office equipment	5 years
–	Vehicles	5 or 6 years
–	Leasehold improvement	Estimated useful lives or remaining lease terms, whichever is shorter

See note 38.4 for the other accounting policies relevant to property and equipment.

13 LEASES

(a) Amounts recognised in the balance sheet

The balance sheet shows the following amounts relating to leases:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Right-of-use assets		
Properties	**27,108**	27,603
Lease liabilities		
Current	**10,779**	14,476
Non-current	**15,036**	9,609
	25,815	24,085

Additions to the right-of-use assets during the year ended 31 December 2024 were RMB16,198,000 (2023: RMB23,967,000).

(b) Amounts recognised in the income statement

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Depreciation charge of right-of-use assets		
Properties	**16,693**	14,827
Interest expenses (included in finance expenses)	**1,203**	887
Expense relating to short-term leases (included in administrative expenses, selling and marketing expenses, and research and development expenses)	**14,670**	12,613

The total cash outflow for leases in 2024 was RMB28,085,000 (2023: RMB29,001,000).

13 LEASES (CONTINUED)

Accounting policies of leases

The Group leases various offices. Rental contracts are typically made for fixed periods of 1 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms and conditions.

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received,
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the Group, which does not have recent third party financing, and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

Payments associated with short-term and low-value leases are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value leases are leases of underlying assets with a value, when new, in the order of magnitude of RMB40,000 or less.

See note 38.5 for the other accounting policies relevant to leases.

14 INTANGIBLE ASSETS

	Goodwill (a) RMB'000	Trademarks and licenses (d) RMB'000	Domain names (d) RMB'000	Computer software and technology (d) RMB'000	Business Cooperation Agreements (c) RMB'000	Total RMB'000
As at 1 January 2024						
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
For the year ended 31 December 2024						
Opening net book amount	105,631	20,616	3,213	11,724	769,971	911,155
Business combination (Note 15)	–	–	–	320	–	320
Additions	–	2,874	–	6,593	–	9,467
Disposal	–	–	–	(267)	–	(267)
Amortization charge	–	(3,687)	(1,283)	(3,154)	(238,902)	(247,026)
Closing net book amount	105,631	19,803	1,930	15,216	531,069	673,649
As at 31 December 2024						
Cost	105,631	48,773	12,828	35,187	2,344,363	2,546,782
Accumulated amortization	–	(28,970)	(10,898)	(19,971)	(1,813,294)	(1,873,133)
Net book amount	105,631	19,803	1,930	15,216	531,069	673,649

14 INTANGIBLE ASSETS (CONTINUED)

	Goodwill (a) RMB'000	Trademarks and licenses (d) RMB'000	Domain names (d) RMB'000	Computer software and technology (d) RMB'000	Business Cooperation Agreements (c) 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

Notes:

(a) Impairment test for goodwill

The Group carries out its annual impairment test on goodwill by comparing the recoverable amounts to the carrying amounts. As at 31 December 2024, the goodwill is monitored by management at the operating segment level, as identified in Note 5. A segment level summary of the goodwill allocation is presented below.

	As at 31 December 2024 RMB'000	2023 RMB'000
Transaction Platform Business		
– KKC Holdings Limited	**104,263**	104,263
– Others	**1,368**	1,368
	105,631	105,631

14 INTANGIBLE ASSETS (CONTINUED)

Notes: (Continued)

(a) Impairment test for goodwill (Continued)

As at 31 December 2024, the goodwill impairment test was performed at operating segment level. The recoverable amount was determined based on value-in-use calculations. These calculations used pre-tax cash flow projections based on financial budgets approved by management covering a five-year period with a terminal value related to the future cash flows of extrapolated using the estimated growth rates stated below beyond the five-years period. The Group believes that it is appropriate to cover a five-year period in its cash flow projection, because it captures the development stage of the Group's businesses during which the Group expects to experience a high growth rate. The accuracy and reliability of the information is reasonably assured by the appropriate budgeting, forecast and control process established by the Group.

The key assumptions used by management for value-in-use calculations include (i) average annual revenue growth rate, which is 2.2% (2023: 4.9%) for a five-year period, and (ii) discount rate, which is 23.7% (2023: 21.9%). The estimated growth rate used in the value-in-use calculations for period beyond the five-year period is 2.0% (2023: 2.2%).

The revenue growth rates applied by the Group are consistent with management's financial forecast and budget. Management estimates budgeted gross margin based on past experiences and forecasts of future market developments. The discount rate used by management is the pre-tax interest rate that is able to reflect the risks. The Group has performed a sensitivity analysis on key assumptions used for the annual impairment test for goodwill. A reasonably possible change in key assumptions used in the impairment test for goodwill would not cause any CGU's carrying amount to exceed its respective recoverable amount.

As at 31 December 2024, the directors are of the view that there was no impairment on the goodwill.

(b) Impairment test for intangible assets other than goodwill

As at 31 December 2024, the directors are not aware of any events or changes in circumstances which would indicate that the carrying amount of the intangible assets may not be recoverable.

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

	Year ended 31 December	
	2024 RMB'000	2023 RMB'000
Cost of revenues	**2,662**	3,070
Selling and marketing expenses	**239,316**	242,512
Administrative expenses	**4,210**	3,665
Research and development expenses	**838**	727
	247,026	249,974

14 INTANGIBLE ASSETS (CONTINUED)

Notes: (Continued)

(c) Business Cooperation Agreements

The Group underwent two Group reorganizations in 2015 and 2017, respectively (the "2015 Reorganization" and "2017 Reorganization", and collectively the "Reorganizations") to establish the Company as the ultimate holding company of the Group. Under the Reorganizations, the Group acquired the 2015 Traffic Support Services, 2017 Traffic Support Services, Non-compete Undertakings, and Automobile Model Database (collectively referred to as the "Business Cooperation Agreements"), which were recognized as intangible assets at fair value at the date of acquisition. The directly attributable transaction costs to acquire the assets were included in the costs of the intangible assets.

For the traffic support agreement acquired upon the completion of 2015 Reorganization, it was fully amortised by 31 December 2018 as the amortization was provided using the straight-line amortization method over 3 years according to the contract term. For the traffic support agreements acquired upon the completion of 2017 Reorganization, given that both parties have agreed upon the total number of transactions leads that should be referred to the Group, the Group expected to utilize the intangible asset based on the number of transaction leads referred and determined the amortization measured on an actual usage basis.

For the Non-compete Undertakings in relation to the used automobile-related business, amortization is calculate using the straight-line amortization method over 15 years.

The Automobile Model Database is amortized using the straight-line amortization method over 20 years, which is the contractual term of the access right to the database.

The amortization charges are included in the "Selling and marketing expenses" of the consolidated income statements.

(d) Amortisation methods and periods

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods:

– Trademarks and licenses	5-10 years
– Domain names	10 years
– Computer software and technology	5 years

See note 38.6 for the other accounting policies relevant to intangible assets.

15 BUSINESS COMBINATIONS

(a) Summary of acquisition

On 2 April 2024, Xinche Investment (Shanghai) Co., Ltd. ("Xinche"), an indirectly wholly-owned subsidiary of the Company, acquired the remaining 67.7966% equity interest in Dalian Rongxin Financing Guarantees Company Ltd. ("Dalian Rongxin"), previously a joint venture of the Company's, under the equity transfer agreement entered into by Xinche, Beijing Bitauto Internet Information Company Limited ("Beijing Bitauto") and Dalian Rongxin, with a cash consideration of RMB640 million. Dalian Rongxin became an indirectly wholly-owned subsidiary of the Company after the transaction was completed. The Company acquired Dalian Rongxin to expand its transaction platform businesses.

Details of the purchase consideration, the net assets acquired and goodwill are as follows:

	RMB'000
Purchase consideration paid in cash	640,000
The assets and liabilities recognised as a result of the acquisition:	
Cash and cash equivalents	315,688
Restricted cash	570,867
Guarantee receivables	137,055
Prepayments, deposits and other assets	176,481
Property, plant and equipment	323
Right-of-use assets	407
Intangible assets	320
Net deferred tax assets	70,102
Risk assurance liabilities	(176,730)
Other payables and accruals	(1,134)
Lease liabilities	(416)
Net identifiable assets acquired	1,092,963
Less: investments in the joint venture	(351,971)
Less: negative goodwill in relation to bargain purchase	(100,992)
	640,000

15 BUSINESS COMBINATIONS (CONTINUED)

(a) Summary of acquisition (Continued)

(i) Acquired receivables

The fair value of guarantee receivables and prepayments, deposits and other assets are RMB137,055,000 and RMB176,481,000 respectively, the gross amounts of which approximate their fair values at acquisition date, with a loss allowance immaterial.

(ii) Revenue and profit contribution

Dalian Rongxin contributed revenues of RMB70,274,000 and net profit of RMB38,282,000 to the Group for the period from 2 April to 31 December 2024.

If the acquisition had occurred on 1 January 2024, consolidated pro-forma revenue and profit for the year ended 31 December 2024 would have been RMB9,907,047,000 and RMB788,916,000 respectively.There is no difference in the accounting policies between the Group and the Dalian Rongxin.

(b) Purchase consideration – cash outflow

	2024 **RMB'000**	2023 RMB'000
Cash outflow		
Cash consideration – first instalment in 2023	**–**	(384,000)
Cash consideration – second instalment in 2024	**(256,000)**	–
Add: balances acquired		
Cash	**315,688**	–
Net inflow/(outflow) of cash – investing activities	**59,688**	(384,000)

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Investments in associates and joint ventures:		
Associates and joint ventures using equity method (a)	**303,041**	500,353
Assets classified as held for sale (b)	**–**	267,610
	303,041	767,963

(a) Associates and joint ventures using equity method

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At beginning of the year	**500,353**	660,155
Capital injections	**181,337**	110,000
Step acquisition of a joint venture (Note 15)	**(351,971)**	–
Share of (losses)/profits of associates and joint ventures	**(15,607)**	34,741
Impairment loss of associates	**(12,031)**	–
Classified as held for sale (b)	**–**	(267,610)
Dividend distribution	**–**	(14,470)
Currency translation differences	**960**	(22,463)
At end of the year	**303,041**	500,353

As at 31 December 2024, the Group invested in eight associates using equity method. In the opinion of the directors of the Company, none of the associates is material to the Group.

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Aggregate carrying amount of individually immaterial associates and joint ventures	**303,041**	390,353
Aggregate amounts of the Group's share of:		
(Loss)/Gain from continuing operations	**(15,607)**	34,741
Total comprehensive (loss)/income	**(15,607)**	34,741

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

(b) 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 held 49% of the equity interests and was rightful to two of the five board seats, resulting in the significant impact on Qingdao Caitong Yixin. The investment was accounted for using equity method of accounting. On 27 December 2023, the board of directors of the Group agreed to sell the entire equity interest in Qingdao Caitong Yixin held by the Group. The Group reclassified the investment in joint venture as the asset held for sale as of 31 December 2023. The transaction was completed on 5 February 2024.

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 was lower than the fair value less costs to sell as of 31 December 2023.

Accounting policies of associates and joint arrangements

An associate is an entity over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

A joint arrangement is an arrangement of which two or more parties have joint control. Investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement.

16 INVESTMENTS IN ASSOCIATES AND JOINT VENTURES (CONTINUED)

Accounting policies of associates and joint arrangements (Continued)

(a) Equity method of accounting

Investments in associates and joint ventures in the form of ordinary shares are accounted for using equity method of accounting in accordance with IAS 28. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Group's investments in these associates and joint ventures include goodwill identified on acquisition, net of any accumulated impairment loss. Upon the acquisition of the ownership interest in an associate or joint venture, any difference between the cost of the associate and joint ventures and the Group's share of the net fair value of the associate or the joint venture's identifiable assets and liabilities is accounted for as goodwill.

If the ownership interest in an associate or joint venture in the form of ordinary shares is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to consolidated income statement where appropriate.

The Group's share of the associates and joint ventures' post-acquisition profit or loss is recognized in the consolidated income statement, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the entity.

The Group determines at each reporting date whether there is any objective evidence that the investments in associates and joint ventures are impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or the joint venture and its carrying value and recognizes the amount adjacent to "Other income and other gains, net" in the consolidated income statement.

Profits and losses resulting from upstream and downstream transactions between the Group and its associate or joint venture are recognized in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates and joint ventures. Unrealized losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

Gains or losses on dilution of equity interest in associates and joint ventures are recognized in the consolidated income statement.

17 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At beginning of the year (a)	**3,459,575**	3,204,387
Additions	**39,731**	306,790
Disposals	**(72,854)**	(9,170)
Fair value losses	**(97,063)**	(82,462)
Currency translation differences	**39,602**	40,030
At end of the year (a)	**3,368,991**	3,459,575

Note:

(a) The Company and Yusheng Holdings Limited ("Yusheng") entered into the convertible note purchase agreements in relation to the Company's investments in Yusheng by way of subscription of the convertible notes.

Subscription date	**Principal amount**	**Conversion Right**	**Number of shares convertible into**
13 June 2018	USD 260,000,000	Convertible into non-voting	13,000,000
15 November 2019	USD 43,000,000	Series pre-A preferred shares	2,150,000
18 December 2020	RMB 80,000,000	Convertible into non-voting Series B preferred shares	549,000
5 July 2023	USD 12,000,000	Convertible into non-voting Series C-2 preferred shares	463,000

18 FINANCIAL INSTRUMENTS BY CATEGORY

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Assets as per balance sheet		
Financial assets at fair value through profit or loss:		
– Long-term investments (Note 17)	**3,368,991**	3,459,575
Financial assets at amortized cost:		
– Finance receivables (Note 19)	**28,117,882**	23,884,879
– Trade receivables (Note 20)	**4,907,615**	4,794,331
– Deposits and other receivables	**2,972,928**	2,540,943
– Restricted cash (Note 22(b))	**2,553,475**	2,116,964
– Cash and cash equivalents (Note 22(a))	**4,212,760**	3,479,550
	46,133,651	40,276,242

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Liabilities as per balance sheet		
Financial liabilities at amortized cost:		
– Borrowings (Note 29)	**26,948,957**	23,155,782
– Trade payables (Note 26)	**964,344**	901,487
– Other payables (excluding advance from customers, staff costs and welfare accruals, tax payable, deferred revenue and other accruals)	**250,130**	495,149
– Other non-current liabilities (excluding deferred revenue) (Note 31)	**3,489**	1,389
Risk assurance liabilities (Note 27)	**2,339,355**	1,602,733
Lease liabilities (Note 13)	**25,815**	24,085
	30,532,090	26,180,625

19 FINANCE RECEIVABLES

The Group provides automobile financing lease services on its self-operated financing business. Details of finance receivables as at 31 December 2024 and 2023 are as below:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Finance receivables		
– Finance receivables, gross	**32,604,142**	27,562,432
– Unearned finance income	**(3,553,833)**	(2,923,250)
Finance receivables, net	**29,050,309**	24,639,182
Less: provision for expected credit losses	**(932,427)**	(754,303)
Carrying amount of finance receivables	**28,117,882**	23,884,879
Finance receivables, gross		
– Within one year	**12,395,208**	11,190,283
– After one year but not more than two years	**9,005,905**	7,511,427
– After two years but not more than three years	**5,914,728**	4,890,207
– After three years	**5,288,301**	3,970,515
	32,604,142	27,562,432
Finance receivables, net		
– Within one year	**10,587,862**	9,618,946
– After one year but not more than two years	**7,888,941**	6,665,509
– After two years but not more than three years	**5,376,668**	4,530,717
– After three years	**5,196,838**	3,824,010
Total	**29,050,309**	24,639,182

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Finance receivables:		
– Individual customers	**27,891,273**	23,537,198
– Auto dealers	**226,609**	347,681
	28,117,882	23,884,879

19 FINANCE RECEIVABLES (CONTINUED)

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

	Year ended 31 December 2024			
	Stage I RMB'000	**Stage II RMB'000**	**Stage III RMB'000**	**Total RMB'000**
Opening balance at 1 January 2024	**461,847**	**42,527**	**249,929**	**754,303**
Provision for impairment	**328,811**	**2,661**	**253,000**	**584,472**
Reversal of impairment	**–**	**–**	**(59,706)**	**(59,706)**
Transfer for the period:				
Conversion to Stage I	***86***	***(60)***	***(26)***	**–**
Conversion to Stage II	***(47,179)***	***47,257***	***(78)***	**–**
Conversion to Stage III	***(147,016)***	***(30,758)***	***177,774***	**–**
Asset derecognised (including final repayment)	**–**	**–**	**59,706**	**59,706**
Write-off	**–**	**–**	**(406,348)**	**(406,348)**
Ending balance at 31 December 2024	**596,549**	**61,627**	**274,251**	**932,427**

	Year ended 31 December 2023			
	Stage I RMB'000	Stage II RMB'000	Stage III RMB'000	Total 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

20 TRADE RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade receivables	**4,941,727**	4,817,902
Less: provision for impairment	**(34,112)**	(23,571)
Trade receivables, net	**4,907,615**	4,794,331
Trade receivables, net	**4,907,615**	4,794,331
– Within one year	**2,917,220**	3,641,289
– After one year but not more than five years	**1,990,395**	1,153,042

Trade receivables include loan facilitation receivables and guarantee premium receivables.

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	**4,895,785**	4,783,946
3 to 6 months	**997**	187
Over 6 months	**10,833**	10,198
	4,907,615	4,794,331

As at 31 December 2024 and 2023, 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	
	2024	2023
	RMB'000	RMB'000
At 1 January	**23,571**	39,498
Charge for the year	**11,668**	13
Recovery of write-off	**–**	30
Reversal of provision provided in relation to the recovery of write-off	**–**	(30)
Write-off	**(1,127)**	(15,940)
At 31 December	**34,112**	23,571

21 PREPAYMENTS, DEPOSITS AND OTHER ASSETS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Included in non-current assets:		
Vehicles collected from financing lease customers	**77,579**	120,702
Prepayment for equity transactions (a)	**50,000**	384,000
Deposits	**8,945**	76,620
Long-term prepaid expense	**2,442**	452
Others	**2,242**	9,549
	141,208	591,323
Less: provision for impairment of vehicles collected from financing lease customers	**(48,777)**	(85,030)
	92,431	506,293
Included in current assets:		
Other receivables from third parties	**823,643**	858,608
Loans recognized as a result of payment under the risk assurance	**719,180**	742,517
Deposits	**695,699**	570,039
Factoring	**572,500**	–
Loans to third parties (b)	**227,222**	271,400
Prepaid taxes	**184,055**	142,069
Other receivables from disposal of assets	**102,170**	122,752
Prepayments	**26,611**	24,221
Loans to related parties	**5,720**	20,000
Other receivables from related parties	**120**	6,613
Others	**67,491**	61,773
	3,424,411	2,819,992
Less: provision for impairment of other receivables	**(244,914)**	(198,627)
	3,179,497	2,621,365
Total	**3,271,928**	3,127,658

Notes:

(a) In November 2024, the prepayment for an equity transaction amounted to RMB50 million was paid by Beijing Xulu Information Technology Co., Ltd. in certain investee. As of 31 December 2024, the transaction has not been completed.

As of 31 December 2023, 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 and Dalian Rongxin Financing Guarantees Company Ltd. on 29 May 2023 in regard to the acquisition of the remaining equity interests in Dalian Rongxin with a total consideration of RMB640 million. On April 2 2024, the transaction has been completed. Dalian Rongxin became an indirectly wholly-owned subsidiary of the Company (Note 15).

(b) The loans to third parties are arranged to be recovered by the end of December 2025 given the business terms. As at 31 December 2024, the applicable interest rates on loans to third parties are from 7.00% to 10.00% (2023: 7.00% to 10.00%) per annum.

21 PREPAYMENTS, DEPOSITS AND OTHER ASSETS (CONTINUED)

As at 31 December 2024 and 2023, 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 2024 and 2023, 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	
	2024	2023
	RMB'000	RMB'000
As at 1 January	**283,657**	370,622
Business combination (Note 15)	**24,662**	–
Provision for impairment	**390,657**	293,705
Recovery of write-off	**16,155**	19,078
Reversal of provision provided in relation to the recovery of write-off	**(16,155)**	(19,078)
Write-off	**(405,285)**	(380,670)
As at 31 December	**293,691**	283,657

As at 31 December 2024, the ECL allowance of loans recognized as a result of payment under risk assurance amounted to approximately RMB104,339,000(2023: RMB97,181,000).

22 CASH AND BANK BALANCES

(a) Cash and cash equivalents

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Cash and cash equivalents	**4,212,760**	3,479,550

As at 31 December 2024 and 2023, the carrying amounts of the Group's cash and cash equivalents are denominated in the following currencies:

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
RMB	**3,344,365**	3,114,859
USD	**582,468**	211,354
JPY	**199,552**	608
SGD	**80,776**	42,558
HKD	**5,561**	109,851
MOP	**28**	320
THB	**10**	–
	4,212,760	3,479,550

22 CASH AND BANK BALANCES (CONTINUED)

(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	
	2024	2023
	RMB'000	RMB'000
Cash deposited for loan facilitation services & SaaS services (a)	**2,188,419**	1,514,887
Cash deposited for borrowings (b)	**309,667**	422,653
Term deposits pledged for bank borrowings (c)	**54,722**	168,407
Others	**667**	11,017
	2,553,475	2,116,964
Of which are:		
Current restricted cash	**2,520,319**	2,083,808
Non-current restricted cash	**33,156**	33,156

Notes:

(a) The balance represents the deposits placed with banks for the Group's loan facilitation services and SaaS 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 (Note 29).

22 CASH AND BANK BALANCES (CONTINUED)

(b) Restricted cash (Continued)

As at 31 December 2024 and 2023, the carrying amounts of the Group's restricted cash are denominated in the following currencies:

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
RMB	**2,553,288**	2,036,019
HKD	**187**	–
MOP	**–**	35,348
USD	**–**	34,951
SGD	**–**	10,646
	2,553,475	2,116,964

As at 31 December 2024, the applicable interest rates per annum on restricted cash ranged from 0.00% to 2.00% (2023: 0.00% to 5.20%).

23 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 2024	**15,000,000,000**	**1,500**	**–**	**–**
As at 1 January and 31 December 2023	15,000,000,000	1,500	–	–

23 SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

	Note	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 2024		**6,524,065,512**	**639**	**4,262**	**34,964,305**
Newly issued ordinary shares		**–**	**–**	**–**	**–**
Shares issued upon exercise of employee share options	(b)	**63,000**	**–**	**–**	**226**
Vesting of restricted awarded shares	(c)	**–**	**3**	**23**	**71,381**
Dividend declared	(d)	**–**	**–**	**–**	**(177,692)**
As at 31 December 2024		**6,524,128,512**	**642**	**4,285**	**34,858,220**
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	(b)	192,500	–	–	690
Vesting of restricted awarded shares	(c)	–	3	24	70,400
Dividend declared	(d)	–	–	–	(187,456)
As at 31 December 2023		6,524,065,512	639	4,262	34,964,305

Notes:

(a) On 12 October 2017, the Company modified the share option agreement with 20 grantees, including 1 director, 6 other senior management members, and 13 other employees, by immediately vesting a total of 15,957,262 share options held by the grantees. On the same day, the grantees exercised the share options in full for 15,957,262 ordinary shares issued by the Company and transferred 7,167,993, 3,439,269 and 5,350,000 ordinary shares to Xindu Limited, Spring Forests Limited and Yidu Limited, respectively, which are trusts established to hold the shares for and on behalf of the grantees (collectively, "Share Scheme Trusts"). The grantees' entitlement of the trusts are subject to vesting conditions that are substantially the same as those in the share option agreement before abovementioned modification. The ordinary shares held by Share Scheme Trusts are not considered issued and outstanding until the grantee's entitlement of the trusts is vested. As at 31 December 2024, total number of ordinary shares held by Share Scheme Trusts amounted to 111,700,834 (2023: 111,700,834), after giving effect to the Capitalization Issue. 110,650,834 (2023: 110,650,834) ordinary shares held by Share Scheme Trusts are issued and outstanding.

(b) During the year ended 31 December 2024, 63,000 pre-IPO share options with exercise price of USD0.0014 were exercised.

(c) During the year ended 31 December 2024, 43,578,787 (2023: 45,326,787) ordinary shares of the Company were transferred to the share awardees upon vesting of the awarded shares (Note 25).

(d) Following the declaration on Annual General Meeting of the Company dated 8 May 2024, the final dividends amounting to HKD195.7 million (equivalent to RMB177.7 million) were declared during the year ended 31 December 2023 and amounting to HKD195.7 million (equivalent to RMB177.9 million) were paid on 3 June 2024.

24 OTHER RESERVES

	Note	Capital Reserves RMB'000	Statutory surplus reserve (a) RMB'000	Share-based compensation reserve RMB'000	Shares held for share award scheme RMB'000	Currency translation differences (b) RMB'000	Total RMB'000
At 1 January 2024		**(431,554)**	**218,502**	**1,168,313**	**(2,047)**	**343,168**	**1,296,382**
Currency translation differences		**–**	**–**	**–**	**–**	**34,893**	**34,893**
Share-based compensation		**–**	**–**	**53,901**	**–**	**–**	**53,901**
Shares issued upon exercise of employee share options		**–**	**–**	**(225)**	**–**	**–**	**(225)**
Vesting of restricted awarded shares		**–**	**–**	**(79,068)**	**7,664**	**–**	**(71,404)**
Purchase of restricted shares under share award scheme	25	**–**	**–**	**–**	**(6,078)**	**–**	**(6,078)**
Appropriation to statutory reserves		**–**	**326,339**	**–**	**–**	**–**	**326,339**
At 31 December 2024		**(431,554)**	**544,841**	**1,142,921**	**(461)**	**378,061**	**1,633,808**
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	25	–	–	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	25	–	–	–	(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

Notes:

(a) The Company's subsidiaries incorporated in the PRC are required to make appropriations to statutory reserves from their profits for the year after offsetting accumulated losses carried forward from prior years and before distribution to equity holders. The percentages to be appropriated to such statutory reserves are determined according to the relevant regulations in the PRC, and further appropriation is optional when the accumulated statutory surplus reserve fund is 50% or more of the registered capital of the subsidiaries.

(b) Currency translation differences represent the differences arising from the translation of the financial statements of companies within the Group that have a functional currency different from the presentation currency of RMB for the financial statements of the Company and the Group.

25 SHARE-BASED PAYMENTS

The total expenses recognized in the consolidated income statement for share-based awards granted to the Group's employees are RMB54,247,000 for the year ended 31 December 2024 (2023: RMB74,750,000).

(a) Share options granted to employees under the Pre-IPO Share Option Scheme and the 2024 Share Scheme

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.

2024 Share Scheme

On 9 May 2024, the Company conditionally proposed the adoption of the 2024 Share Scheme and the 2024 Share Scheme was approved by the Shareholders in general meeting. Upon the approval of adoption of the 2024 Share Scheme, the Company granted 250,000,000 share options on 27 June 2024.

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 required to be determined by the directors using their best estimates. Fair value per share is HKD0.2624 and exercise price of the granted options to employees is HKD0.70. 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 seven or ten years.

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

	Number of share options	
	2024	2023
Outstanding as at 1 January	**235,163,848**	235,356,348
Granted during the year	**250,000,000**	–
Exercised during the year	**(63,000)**	(192,500)
Outstanding as at 31 December	**485,100,848**	235,163,848
Exercisable as at 31 December	**235,100,848**	235,163,848

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.

25 SHARE-BASED PAYMENTS (CONTINUED)

(a) Share options granted to employees under the Pre-IPO Share Option Scheme and the 2024 Share Scheme (Continued)

2024 Share Scheme (Continued)

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	**27 June 2024**
Fair value per share	USD3.70	USD4.90	**HKD0.2624**
Exercise price	USD0.01	USD0.01	**HKD0.70**
Risk-free interest rate	2.50%	2.46%	**3.4% or 3.6%**
Dividend yield	0.00%	0.00%	**4.3%**
Expected volatility	51%	56%	**51%**
Expected terms	10 years	10 years	**7 or 10 years**
Weighted-average remaining contractual life	2.5 years	2.75 years	**6.5 or 9.5 years**
Weighted-average fair value per option granted	USD3.69	USD4.89	**HKD0.2624**
Weighted-average fair value per option granted (after the effect of the Capitalization Issue)	USD0.53	USD0.70	**HKD0.2624**

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 for Pre-IPO share options and the yield of Hong Kong Government Debt with a maturity life equal to the expected option life for 2024 share options. 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 for Pre-IPO share options and the historical daily stock prices of the Company for a period with length commensurable to the remaining maturity life of the share option for 2024 share options. 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.

520,000 RSUs under the 2024 Share Award Scheme were modified in the year ended 31 December 2024 from equity-settled to cash-settled. There was no incremental fair value incurred.

25 SHARE-BASED PAYMENTS (CONTINUED)

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

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 2024	**87,012,573**	**USD0.28**
Granted during the year	**2,080,000**	**USD0.09**
Vested and sold during the year	**(43,578,787)**	**USD0.28**
Forfeited during the year	**(2,017,500)**	**USD0.18**
Outstanding as at 31 December 2024	**43,496,286**	**USD0.27**
Vested as at 31 December 2024	**227,396,874**	**USD0.29**
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

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 2024, 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 2023: 100%, 100% and 95%).

26 TRADE PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Trade payables	**964,344**	901,487

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Up to 3 months	**957,436**	791,244
3 to 6 months	**80**	3,874
6 months to 1 year	**16**	78,414
Over 1 year	**6,812**	27,955
	964,344	901,487

27 RISK ASSURANCE LIABILITIES

A summary of the Group's risk assurance liabilities movement for the years ended 31 December 2024 and 2023 is presented below:

	2024	2023
	RMB'000	RMB'000
As at 1 January	**1,602,733**	1,150,498
Business combination (Note 15)	**176,730**	–
Addition arising from new business	**2,456,043**	1,695,585
Income from guarantee services and related VAT	**(1,615,300)**	(1,021,009)
ECL	**645,949**	158,059
Payouts during the year, net	**(926,800)**	(380,400)
As at 31 December	**2,339,355**	1,602,733

As at 31 December 2024, the ECL allowance of risk assurance liabilities amounted to approximately RMB1,934,970,000 (2023: RMB872,295,000).

28 OTHER PAYABLES AND ACCRUALS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Accrued expenses	**150,319**	139,358
Staff costs and welfare accruals	**122,983**	119,476
Deposits payable	**119,765**	136,290
Deferred other income – current (Note 31(a))	**77,948**	76,101
Tax payable	**52,381**	48,866
Advances from customers	**18,087**	135,664
Other payables to related parties	**–**	295,437
Others	**130,365**	63,422
	671,848	1,014,614

As at 31 December 2024 and 2023, 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.

29 BORROWINGS

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Included in non-current liabilities:		
Unsecured borrowings (a)	**8,946,161**	6,444,408
Asset-backed securitization debt (b)	**2,662,314**	2,784,331
Other secured borrowings (c)	**950,598**	837,710
Pledge borrowings (d)	**286,828**	785,172
	12,845,901	10,851,621
Included in current liabilities:		
Unsecured borrowings (a)	**7,075,093**	5,111,983
Asset-backed securitization debt (b)	**3,954,608**	3,380,268
Other secured borrowings (c)	**2,888,610**	3,457,204
Pledge borrowings (d)	**184,745**	354,706
	14,103,056	12,304,161
Total borrowings	**26,948,957**	23,155,782

29 BORROWINGS (CONTINUED)

Notes:

(a) As at 31 December 2024, borrowings amounting to RMB2,775,820,000 (2023: RMB2,024,755,000) are guaranteed by the Company and its certain subsidiaries; and borrowings amounting to RMB13,245,434,000 (2023: RMB9,531,636,000) are unsecured loans.

(b) The Group securitizes finance receivables arising from its consumers through transfer of those assets to asset-backed securitization vehicles. The securitization vehicles usually issue senior tranche debt securities to third party investors, collateralized by the transferred assets, and subordinate tranche debt securities to the Group. In limited circumstances, the Group may also subscribe for a portion of the senior tranche debt securities. The asset-backed debt securities issued by the securitization vehicles to third party investors are recourse to the Group. The securitization vehicles are considered as controlled structured entities of the Group, and the asset-backed debt securities subscribed by third party investors are reported as current and non-current borrowings in the consolidated balance sheets based on their respective expected repayment dates. As at 31 December 2024, the carrying amount of finance receivables that were collateralized in securitization transactions was RMB8,008,655,000 (2023: RMB7,000,473,000).

(c) As at 31 December 2024, borrowings amounting to RMB3,839,208,000 (2023: RMB4,294,914,000) are secured by the cash proceeds of certain of the Group's finance receivables and trade receivables. As at 31 December 2024, the finance receivables and trade receivables amounting to RMB3,086,280,000 (2023: RMB4,176,870,000) and nil (2023: RMB168,000,000) are used as pledge for such borrowings.

(d) The pledge borrowings are collateralized by a pledge of term deposits with carrying values of RMB54,722,000 (2023: RMB168,407,000) and the Group's finance receivables amounting to RMB851,371,000 (2023: RMB965,818,000) as at 31 December 2024.

The borrowings are repayable as follows:

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Within 1 year	**14,103,056**	12,304,161
Between 1 and 2 years	**6,842,731**	5,779,465
Between 2 and 5 years	**5,999,058**	5,060,956
Over 5 years	**4,112**	11,200
	26,948,957	23,155,782

As at 31 December 2024, the applicable interest rates on long-term borrowings range from 2.30% to 8.79% (2023: 3.01% to 6.50%) per annum.

As at 31 December 2024, the applicable interest rates on short-term borrowings range from 1.20% to 8.00% (2023: 3.30% to 7.50%) per annum.

As at 31 December 2024 and 2023, the carrying amounts of borrowings are primarily denominated in RMB and approximate their fair values at each of the reporting dates. Risk exposure are set out in Note 3.1.

30 DEFERRED INCOME TAX

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

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Deferred income tax assets:		
– To be recovered within 12 months	**546,663**	598,432
Set-off of deferred income tax assets	**(23,391)**	(37,081)
Net deferred income tax assets	**523,272**	561,351
Deferred income tax liabilities:		
– To be recovered after 12 months	**(134,741)**	(113,410)
– To be recovered within 12 months	**(91)**	(91)
	(134,832)	(113,501)
Set-off of deferred income tax liabilities	**23,391**	37,081
Net deferred income tax liabilities	**(111,441)**	(76,420)

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

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
At 1 January	**484,931**	618,964
Business combination (Note 15)	**70,102**	–
Credited to consolidated income statement	**(142,011)**	(133,859)
Currency translation differences	**(1,191)**	(174)
At 31 December	**411,831**	484,931

30 DEFERRED INCOME TAX (CONTINUED)

The movements in deferred income tax assets and liabilities during the year, without taking into consideration the offsetting of balances within the same tax jurisdiction, are as follows:

Deferred income tax liabilities

	Fair value loss on financial assets RMB'000	Withholding tax on the earnings expected to be remitted by subsidiaries RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	**(56,542)**	**(56,352)**	**(607)**	**(113,501)**
Credited/(Charged) to consolidated income statement	**2,108**	**(22,478)**	**91**	**(20,279)**
Currency translation differences	**–**	**(1,052)**	**–**	**(1,052)**
At 31 December 2024	**(54,434)**	**(79,882)**	**(516)**	**(134,832)**
At 1 January 2023	(88,896)	–	(698)	(89,594)
Credited/(Charged) to consolidated income statement	32,354	(56,066)	91	(23,621)
Currency translation differences	–	(286)	–	(286)
At 31 December 2023	(56,542)	(56,352)	(607)	(113,501)

30 DEFERRED INCOME TAX (CONTINUED)

Deferred income tax assets

	Provision for expected credit losses of finance receivables RMB'000	Provision for impairment of trade receivables RMB'000	Tax losses RMB'000	Others RMB'000	Total RMB'000
At 1 January 2024	**225,754**	**15,979**	**149,611**	**207,088**	**598,432**
Business combination (Note 15)	**–**	**–**	**5,546**	**64,556**	**70,102**
Credited/(Charged) to consolidated income statement	**14,595**	**5,122**	**(105,750)**	**(35,699)**	**(121,732)**
Currency translation differences	**(7)**	**–**	**(132)**	**–**	**(139)**
At 31 December 2024	**240,342**	**21,101**	**49,275**	**235,945**	**546,663**
At 1 January 2023	292,336	22,544	209,222	184,456	708,558
(Charged)/Credited to consolidated income statement	(66,589)	(6,565)	(59,716)	22,632	(110,238)
Currency translation differences	7	–	105	–	112
At 31 December 2023	225,754	15,979	149,611	207,088	598,432

Deferred income tax assets are recognized for deductible temporary differences to the extent that the realization of the related tax benefits through future taxable profits is probable.

As at 31 December 2024, the Group did not recognize deferred income tax assets of RMB32,653,000 (2023: RMB23,200,000) in respect of cumulative tax losses amounting to RMB185,387,000 (2023: RMB110,765,000) that can be carried forward against future taxable income. The tax losses applicable to Hong Kong tax law and Singapore tax law can be carried forward indefinitely, the tax losses applicable to Japan tax law will expire from 2025 to 2034 and the remaining tax losses will expire from 2025 to 2029.

31 OTHER NON-CURRENT LIABILITIES

	As at 31 December	
	2024 RMB'000	2023 RMB'000
Deferred other income (a)	**829,467**	880,476
Long-term deposits payable	**3,489**	680
Other liabilities	**–**	709
	832,956	881,865

31 OTHER NON-CURRENT LIABILITIES (CONTINUED)

Note:

(a) On 13 June 2018, the Company and Yusheng entered into the convertible note purchase agreement, the Business Cooperation Agreement ("BCA") and the framework agreement in relation to the Company's investment in Yusheng by way of subscription of the convertible bond. The Company agreed to provide certain cooperation services to Yusheng and/or its affiliates pursuant to the BCA for a term of 20 years. The BCA includes (i) providing certain traffic support in relation to the used automobile transaction business ("Used Automobile Transaction Business"); (ii) providing certain automobile database related services; and (iii) the Group shall not engage in, invest in, own, manage, operate or provide assistance to businesses that may compete with the Used Automobile Transaction Business during predetermined terms. Deferred revenue was initially recognised at fair value of the services in the BCA included in "Other payables and accruals" and "Other non-current liabilities" on the consolidated balance sheet. Other income from business cooperation arrangements with Yusheng was recognised over time within the term of BCA included in "Other income and other gains, net" on the consolidated income statements.

32 CASH FLOW INFORMATION

(a) Cash used in operations

	Year ended 31 December	
	2024	2023
	RMB'000	RMB'000
Profit before income tax	**1,089,522**	708,824
Adjustments for:		
– Provision for impairment of trade receivables (Note 20)	**11,668**	(17)
– Provision for expected credit losses of finance receivables (Note 19)	**524,766**	293,710
– Provision for impairment of other receivables (Note 21)	**382,996**	276,981
– Provision for impairment of other non-current assets (Note 21)	**(8,494)**	(2,354)
– Provision for impairment losses of risk assurance (Note 27)	**645,949**	158,059
– Depreciation of property and equipment (Note 12)	**42,623**	31,133
– Amortization of intangible assets (Note 14)	**247,026**	249,974
– Amortization of right-of-use assets (Note 13)	**16,693**	14,827
– Gains on disposals of non-current assets	**967**	(330)
– Negative goodwill in relation to bargain purchase (Note 15)	**(100,992)**	–
– Share-based compensations (Note 25)	**54,247**	74,750
– Fair value losses of financial assets at fair value through profit or loss (Note 17)	**97,063**	82,462
– Investment loss/(income)	**15,407**	(45,787)
– Impairment loss on investment in an associate (Note 16)	**12,031**	–
– Interest income	**(13,968)**	(36,926)
– Interest expenses (Note 9)	**100,025**	87,029
– Funding costs (Note 7)	**1,007,293**	781,629
– Foreign exchange losses, net (Note 6)	**33,593**	8,707
– Increase in vehicles for operating leases	**(14,015)**	–
– Decrease/(Increase) in trade receivables	**156,702**	(548,864)
– Increase in finance receivables	**(4,759,453)**	(10,435,439)
– Increase in prepayments, deposits and other assets	**(898,342)**	(923,873)
– (Increase)/Decrease in other operational restricted cash	**(92,019)**	390,652
– Increase in trade payables	**63,134**	56,370
– (Decrease)/Increase in risk assurance liabilities	**(86,057)**	294,175
– Decrease in other payables and accruals	**(384,638)**	(80,405)
– Decrease in other non-current liabilities	**(61,436)**	(73,696)
Cash used in operations	**(1,917,709)**	(8,638,409)

32 CASH FLOW INFORMATION (CONTINUED)

(b) Major non-cash transactions

Other than those disclosed elsewhere in the financial statements, there were no material non-cash transactions for the year ended 31 December 2024 (2023: nil).

(c) Net Debt Reconciliation

	Liabilities from financing activities			Cash and cash equivalents and restricted cash	Total
	Borrowings RMB'000	Lease liabilities RMB'000	Subtotal RMB'000	RMB'000	RMB'000
As at 1 January 2024	**(23,155,782)**	**(24,085)**	**(23,179,867)**	**5,596,514**	**(17,583,353)**
Cash flows	**(3,744,570)**	**15,338**	**(3,729,232)**	**1,193,756**	**(2,535,476)**
Other non-cash movements	**(48,605)**	**(17,068)**	**(65,673)**	**–**	**(65,673)**
Foreign exchange adjustments	**–**	**–**	**–**	**(24,035)**	**(24,035)**
As at 31 December 2024	**(26,948,957)**	**(25,815)**	**(26,974,772)**	**6,766,235**	**(20,208,537)**
As at 1 January 2023	(12,512,272)	(15,618)	(12,527,890)	5,563,026	(6,964,864)
Cash flows	(10,603,103)	15,501	(10,587,602)	40,041	(10,547,561)
Other non-cash movements	(40,407)	(23,968)	(64,375)	–	(64,375)
Foreign exchange adjustments	–	–	–	(6,553)	(6,553)
As at 31 December 2023	(23,155,782)	(24,085)	(23,179,867)	5,596,514	(17,583,353)

The non-cash movements of borrowings are primarily related to the amortization of loan origination fees over the term of borrowings. The non-cash movements of leases included accrued interest expenses and addition of lease liabilities.

33 RELATED PARTY TRANSACTIONS

The following significant transactions were carried out between the Group and its related parties. In the opinion of the directors of the Company, the related party transactions were carried out in the normal course of business and at terms negotiated between the Group and the respective related parties.

(a) Major shareholders

Name	Type	Place of incorporation	Ownership interest 2024	Ownership interest 2023
Tencent Group	Major shareholder	Cayman Islands and Hong Kong	**54.20%**	54.20%

(b) Names and relationships with related parties

Company	Relationship
Bitauto Holdings Limited and its subsidiaries (“Bitauto Group”)	Subsidiary of a major shareholder
Tencent Cloud Computing (Beijing) Company Limited	Subsidiary of a major shareholder
Tenpay Payment Technology Co., Ltd.	Subsidiary of a major shareholder
Shenzhen Tencent Computer System Co., Ltd.	Subsidiary of a major shareholder
Dalian Rongxin Financing Guarantees Company Ltd. (“Dalian Rongxin”) (i)	Subsidiary
Shanghai Shenlin Precision Advertising Co., Ltd. and its subsidiaries (“Shenlin Group”)	Associate
Beijing Jingdong Century Information Technology Co., Ltd.	Subsidiary of a shareholder that has significant influence on the Group
Suqian Yunhan Information Technology Co., Ltd.	Subsidiary of a shareholder that has significant influence on the Group
Sichuan Jingbangda Logistics Technology Co., Ltd.	Subsidiary of a shareholder that has significant influence on the Group

Note:

(i) Upon closing of the business combination transaction, Dalian Rongxin, previously a joint venture of the Company, became a wholly-owned subsidiary of the Company on 2 April 2024 (Note 15).

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Significant transactions with related parties

In addition to those disclosed elsewhere in the financial statements, the following transactions were carried out with related parties (all amounts are presented net of value-added taxes):

	Year ended 31 December	
	2024 **RMB'000**	2023 RMB'000
(i) Provision of business support services in accordance with business cooperation framework agreement		
Dalian Rongxin	**–**	15,000
(ii) Provision of technical support services to a related party		
Bitauto Group	**2,477**	1,814
(iii) Provision of property rent service		
Bitauto Group	**3,007**	–
(iv) Purchases of advertising and other services from related parties		
Shenlin Group	**11,686**	19,189
Bitauto Group	**44**	47,251
	11,730	66,440
(v) Purchases of used car valuation services in accordance with used auto services agreements		
Bitauto Group	**22,620**	21,929
(vi) Purchases of data services and traffic support services from related parties		
Suqian Yunhan Information Technology Co., Ltd.	**20,164**	25,521
Tencent Cloud Computing (Beijing) Company Limited	**4,701**	3,577
Shenzhen Tencent Computer System Co., Ltd.	**4,284**	6,125
Sichuan Jingbangda Logistics Technology Co., Ltd.	**1,553**	1,637
	30,702	36,860
(vii) Purchase of payment services in accordance with payment services framework agreements		
Tenpay Payment Technology Co., Ltd.	**2,500**	2,146
(viii) Purchase of promotional materials from a related party		
Beijing Jingdong Century Information Technology Co., Ltd.	**1,774**	1,734

33 RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Significant transactions with related parties (Continued)

Note:

(a) In addition to the amounts disclosed above, as part of the 2017 Traffic Support Services, the Group obtained used automobile traffic support services from Bitauto Group free of charge for a term of 3 years and automatically renewable for a further period of 2 years commencing from 26 May 2017, in which all online enquiries regarding used automobile-related business arising from Bitauto Group's websites would be directed to the Group.

(d) Year end balances with related parties

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
(i) Trade receivables due from related parties		
Bitauto Group	**–**	1,923
(ii) Other receivables due from related parties		
Dalian Rongxin (Before acquisition date)	**–**	6,038
(iii) Trade and other payables due to related parties for goods and services		
Bitauto Group	**33,553**	122,143
Suqian Yunhan Information Technology Co., Ltd.	**–**	2,002
	33,553	124,145
(iv) Prepayment to related parties for equity transactions		
Bitauto Group	**–**	384,000

Except for the related parties transactions disclosed under Note 33(f), balances with other related parties were all unsecured, interest-free, and repayable on demand.

(e) Key management personnel compensations

Key management includes executive directors and other members of the Company's senior management team. The compensation paid or payable to key management for employee services is shown in Note 8(a).

(f) Loan to Shanghai Shenlin Precision Advertising Co., Ltd.

	As at 31 December	
	2024	2023
	RMB'000	RMB'000
Shanghai Shenlin Precision Advertising Co., Ltd.	**5,720**	20,000

34 BENEFITS AND INTERESTS OF DIRECTORS

The remuneration of every director for the year ended 31 December 2024 is set out as below:

Name	Fees RMB'000	Wages and salaries RMB'000	Bonuses RMB'000	Pension costs and social security costs RMB'000	Share-based compensation expenses (a) RMB'000	Total RMB'000
Executive Director						
Xuan Zhang	–	3,745	3,658	108	9,544	17,055
Dong Jiang	–	3,450	600	157	4,484	8,691
Non-executive Directors						
Amanda Chi Yan Chau	–	–	–	–	–	–
Qing Hua Xie	–	–	–	–	–	–
Qin Miao	–	–	–	–	–	–
Independent non-executive Directors						
Tin Fan Yuen	–	2,344	–	–	–	2,344
Chester Tun Ho Kwok	–	2,348	–	–	–	2,348
Lily Li Dong	–	1,372	–	–	–	1,372
	–	13,259	4,258	265	14,028	31,810

34 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

The remuneration of every director for the year ended 31 December 2023 is set out as below:

Name	Fees RMB'000	Wages and salaries RMB'000	Bonuses RMB'000	Pension costs and social security costs RMB'000	Share-based compensation expenses (a) RMB'000	Total RMB'000
Executive Director						
Xuan Zhang	–	3,674	–	107	–	3,781
Dong Jiang	–	3,436	1,500	143	7,863	12,942
Non-executive Directors						
Amanda Chi Yan Chau	–	–	–	–	–	–
Qing Hua Xie	–	–	–	–	–	–
Qin Miao	–	–	–	–	–	–
Independent non-executive Directors						
Tin Fan Yuen	–	2,201	–	–	–	2,201
Chester Tun Ho Kwok	–	2,206	–	–	–	2,206
Lily Li Dong	–	1,289	–	–	–	1,289
	–	12,806	1,500	250	7,863	22,419

Note:

(a) Share-based compensation expenses are calculated by applying a graded vesting approach according to IFRS 2 that has the effect of recognizing more expenses up front comparing to recognizing expenses evenly during vesting periods. For Pre-IPO Share Option, expenses are calculated with fair value of each option from USD0.53 to USD0.70 (HKD4.12 to HKD5.46). For the First and Second Share Award Scheme, expenses are calculated with fair value of each share from USD0.10 to USD0.40 (HKD0.81 to HKD3.14). For the 2024 Share Scheme, expenses are calculated with fair value of each share on HKD0.2624. As at 31 December 2024, closing price of the Group on Hong Kong Stock Exchange was HKD0.89 (USD0.11).

34 BENEFITS AND INTERESTS OF DIRECTORS (CONTINUED)

During the year ended 31 December 2024, there are no retirement or termination benefits that have been paid to the Company's directors (2023: nil).

During the year ended 31 December 2024, there are no loans, quasi-loans or other dealings in favour of the directors, their controlled bodies corporate and connected entities (2023: nil).

During the year ended 31 December 2024, none of the Company's directors received any emoluments as an inducement to join or upon joining the Group (2023: nil).

No significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year (2023: nil).

35 CONTINGENCIES

The Group did not have any material contingent liabilities as at 31 December 2024 (2023: nil).

36 SUBSEQUENT EVENTS

Since year end, the directors have recommended the payment of final and special dividends of HK13.0 cents in total per fully paid ordinary share. Subject to the approval at the Annual General Meeting, the aggregate amount of the proposed dividends expected to be paid on Thursday, June 26, 2025 out of profit for the year ended 31 December 2024, but not recognised as a liability at year end, is HKD878.5 million (equivalent to RMB810.9 million).

37 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY

(a) Balance sheet of the Company

	As at 31 December	
	2024 **RMB'000**	2023 RMB'000
ASSETS		
Non-current assets		
Investment in subsidiaries	**5,165,055**	5,043,701
Prepayments, deposits and other assets	**15,515,894**	15,204,621
	20,680,949	20,248,322
Current assets		
Restricted cash	**187**	–
Cash and cash equivalents	**2,018**	1,661
	2,205	1,661
Total assets	**20,683,154**	20,249,983
EQUITY AND LIABILITIES		
Equity		
Share capital	**4,285**	4,262
Share premium	**34,858,220**	34,964,305
Other reserves	**2,954,719**	2,703,559
Accumulated losses	**(19,140,371)**	(19,154,154)
Total equity	**18,676,853**	18,517,972
Liabilities		
Non-current liabilities		
Borrowings	**184,147**	–
Other non-current liabilities	**827,522**	880,335
	1,011,669	880,335
Current liabilities		
Other payables and accruals	**994,632**	851,676
Total liabilities	**2,006,301**	1,732,011
Total equity and liabilities	**20,683,154**	20,249,983

The balance sheet of the Company was approved by the Board of Directors on 27 February 2025 and was signed on its behalf.

Andy Xuan Zhang
Director

Dong Jiang
Director

37 BALANCE SHEET AND RESERVES MOVEMENT OF THE COMPANY (CONTINUED)

(b) Reserves movement of the Company

	Accumulated loss RMB'000	Other reserves RMB'000
At 1 January 2024	**(19,154,154)**	**2,703,559**
Profit for the year	**13,783**	**–**
Share-based compensation	**–**	**53,901**
Shares issued upon exercise of employee share options	**–**	**(225)**
Vesting of restricted awarded shares	**–**	**(71,404)**
Purchase of restricted shares under share award scheme	**–**	**(6,078)**
Currency translation differences	**–**	**274,966**
At 31 December 2024	**(19,140,371)**	**2,954,719**
At 1 January 2023	(19,189,417)	2,404,893
Profit for the year	35,263	–
Share-based compensation	–	74,750
Shares issued upon exercise of employee share options	–	(688)
Vesting of restricted awarded shares	–	(70,424)
Purchase of restricted shares under share award scheme	–	(11,474)
Currency translation differences	–	306,502
At 31 December 2023	(19,154,154)	2,703,559

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES

38.1 Subsidiaries

38.1.1 Consolidation

A subsidiary is an entity (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Intra-group transactions, balances and unrealized gains on transactions between group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. When necessary, amounts reported by subsidiaries have been adjusted to conform with the Group's accounting policies.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated balance sheet respectively.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.1 Subsidiaries (Continued)

38.1.1 Consolidation (Continued)

(a) Subsidiaries controlled through New Contractual Arrangements

The wholly-owned subsidiary of the Company, Tianjin Kars Information Technology Co., Ltd. ("Tianjin Kars"), has entered into the New Contractual Arrangements, including Exclusive Business Cooperation Agreement, Exclusive Option Agreements, Equity Pledge Agreements, and Powers of Attorney, with Beijing Xulu Information Technology Co., Ltd. (北京序祿信息科技有限公司, "Beijing Xulu") (formerly known as 北京易鑫信息科技有限公司, Beijing Yixin Information Technology Co., Ltd.) and its equity holders, which enable Tianjin Kars and the Group to:

- govern the financial and operating policies of Beijing Xulu;
- exercise equity holders' voting rights of Beijing Xulu;
- receive substantially all of the economic interest returns generated by Beijing Xulu in consideration for the business support, technical and consulting services provided by Tianjin Kars;
- obtain an irrevocable and exclusive right to purchase all or part of the equity interests in Beijing Xulu from the respective equity holders at a minimum purchase price permitted under PRC laws and regulations. Tianjin Kars may exercise such options at any time until it has acquired all equity interests of Beijing Xulu; and
- obtain a pledge over the entire equity interests of Beijing Xulu from its respective equity holders as collateral security for all of Beijing Xulu's payments due to Tianjin Kars and to secure performance of Beijing Xulu's obligation under the New Contractual Arrangements.

As a result of the New Contractual Arrangements, the Group has right to exercise power over Beijing Xulu, receive variable returns from its involvement with Beijing Xulu, has the ability to affect those returns through its power over Beijing Xulu and thus is considered to control Beijing Xulu. Consequently, the Company regards Beijing Xulu as its controlled structured entity and consolidates the financial position and results of operations of Beijing Xulu in the consolidated financial statements of the Group.

Nevertheless, the New Contractual Arrangements may not be as effective as direct legal ownership in providing the Group with direct control over Beijing Xulu. Uncertainties presented by the PRC legal system could impede the Group's beneficiary rights of the results, assets and liabilities of Beijing Xulu. The directors of the Company, based on the advice of its legal counsel, consider that the New Contractual Arrangements among Tianjin Kars, Beijing Xulu and its equity holders are in compliance with the relevant PRC laws and regulations and are legally binding and enforceable.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.1 Subsidiaries (Continued)

38.1.1 Consolidation (Continued)

(b) Business combinations

The Group applies the acquisition method to account for business combinations not under common control. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis. Non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are measured at either fair value or the present ownership interests' proportionate share in the recognized amounts of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by IFRS.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognized in profit or loss.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identifiable net assets acquired is recorded as goodwill. If the total of consideration transferred, non-controlling interest recognized and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognized directly in the consolidated income statement, presented as "negative goodwill in relation to a bargain purchase".

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.1 Subsidiaries (Continued)

38.1.1 Consolidation (Continued)

(c) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in a loss of control are accounted for as equity transactions – that is, as transactions with the owners of the subsidiary in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying amount of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(d) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequent accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. It means the amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRS.

38.1.2 Separate financial statements

Investments in subsidiaries (including structured entities) are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee’s net assets including goodwill.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.2 Government grants

Grants from government are recognized at their fair value where there is a reasonable assurance that the grants will be received and the Group will comply with all attached conditions.

38.3 Foreign currency translation

(a) *Functional and presentation currency*

Items included in the financial information of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The functional currency of the Company is United States dollars ("USD"). The Company's primary subsidiaries were incorporated in the PRC and these subsidiaries considered RMB as their functional currency. As the major operations of the Group are within the PRC, the Group determined to present its consolidated financial statements in RMB (unless otherwise stated).

(b) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated income statement.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated income statement within "Finance cost, net". All other foreign exchange gains and losses are presented in the consolidated income statement within "Other income and other gains, net".

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets, such as equities classified as fair value through other comprehensive income are recognized in other comprehensive income.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.3 Foreign currency translation (Continued)

(c) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each income statement are translated at average exchange rates unless this average is not a reasonable approximation of the cumulative effect of rates prevailing on the transaction dates, in which cases income and expenses are translated at the rate on the dates of the transactions; and
- all resulting currency translation differences are recognized in other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Currency translation differences arising are recognized in other comprehensive income.

38.4 Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the consolidated income statement during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 38.7).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized within "Other income and other gains, net" in the consolidated income statement.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.5 Leases

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable,
- variable lease payments that are based on an index or a rate,
- amounts expected to be payable by the lessee under residual value guarantees,
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability,
- any lease payments made at or before the commencement date less any lease incentives received,
- any initial direct costs, and
- restoration costs.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.6 Intangible assets

(a) *Goodwill*

Goodwill arises on the acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the identified net assets acquired.

For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units ("CGUs"), or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. The Group's goodwill is monitored at the operating segment level.

Goodwill impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of the CGU containing the goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs of disposal. Any impairment is recognized immediately as an expense and is not subsequently reversed.

(b) *Trademarks and licenses*

Separately acquired trademarks and licenses are shown at historical cost. Trademarks and licenses acquired in a business combination are recognized at fair value at the acquisition date. Trademarks and licenses have a finite useful life and are carried at cost less accumulated amortization.

(c) *Domain names*

Domain names are initially recognized and measured at costs incurred to acquire and bring to use the domain names.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.6 Intangible assets (Continued)

(d) Computer software and technology

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognized as intangible assets when the following criteria are met:

- It is technically feasible to complete the software product so that it will be available for use;
- Management intends to complete the software product and use or sell it;
- There is an ability to use or sell the software product;
- It can be demonstrated how the software product will generate probable future economic benefits;
- Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- The expenditure attributable to the software product during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software product include the software development employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. RMB6,515,000 software development costs have been capitalized by the Group for the year ended 31 December 2024 (2023: nil).

Research and development expenditures that do not meet these criteria are recognized as “Research and development expenses” in the consolidated income statement as incurred. Development costs previously recognised as an expense are not recognized as an asset in a subsequent period.

38.7 Impairment of non-financial assets

Intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset’s carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset’s fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.8 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and investment property that are carried at fair value and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An Impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

38.9 Investments and other financial assets

(a) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.9 Investments and other financial assets (Continued)

(b) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. For POCI financial assets – assets that are credit-impaired at initial recognition – the Group calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of ECL in estimated future cash flows. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in "Other income and other gains, net" together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated income statement. The Group's assets measured at amortised cost comprise of "Trade receivables", "Finance receivables", "Prepayments, deposits and other assets", "Restricted cash" and "Cash and cash equivalents" in the consolidated balance sheet.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in "Other income and other gains, net". Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in "Other income and other gains, net" and impairment expenses are presented as separate line item in the consolidated income statement.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.9 Investments and other financial assets (Continued)

(c) Measurement (Continued)

Debt instruments (Continued)

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment or derivative financial instrument that is subsequently measured at FVPL is recognised in profit or loss and presented net within "Other income and other gains, net" in the period in which it arises.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as "Other income and other gains, net" when the Group's right to receive payments is established. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Changes in the fair value of financial assets at FVPL are recognised in "Other income and other gains, net" in the consolidated income statement as applicable.

(d) Impairment

The Group assesses on a forward-looking basis the expected credit losses associated with its finance receivables and other receivables. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables, see Note 20 for further details.

38.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.11 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The risk assurance liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the expected credit loss model under IFRS 9 *Financial Instruments,* and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 *Revenue from Contracts with Customers*.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Provision for expected credit losses on risk assurance liability, as applicable, is recognised as credit impairment losses within operating profit. Subsequent recoveries of amounts previously written off are credited against the same line item.

38.12 Trade and other receivables

Trade and other receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. If collection of trade and other receivables is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

38.13 Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

38.14 Share capital

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the Company's equity instruments (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to equity holders of the Company until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.15 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

38.16 Borrowing

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the consolidated income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

38.17 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

The funding costs associated with the borrowings for the Group's self-operated financing business are recognized as cost of revenues. The interest expenses associated with the borrowings for the Group's general operations are recognized as finance expenses.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.18 Share-based payments

(a) Equity-settled share-based payment transactions

The Group operates the Pre-IPO Share Option and Share Award Schemes (defined in Note 25), under which it receives services from employees and non-employees as consideration for share options and restricted shares units (collectively referred to as "Share Awards") of the Company. The fair value of the services received in exchange for the grant of the Share Awards is recognized as an expense on the consolidated income statement.

In terms of the Share Awards awarded, total amount to be expensed is determined by reference to the fair value of the equity instruments granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

At the end of each reporting period, the Group revises its estimates of the number of Share Awards that are expected to vest based on the non-marketing performance and service conditions. It recognizes the impact of the revision to original estimates, if any, in the consolidated income statement, with a corresponding adjustment to equity.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value), and share premium.

(b) Share-based payment transactions among group entities

The grant by the Company of share options and restricted share units over its equity instruments to the employees and non-employees of subsidiaries undertakings in the Group is treated as a capital contribution. The fair value of services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investment in subsidiaries undertakings, with a corresponding credit to equity in separate financial statements of the Company.

38.19 Provisions

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

38 SUMMARY OF OTHER POTENTIALLY MATERIAL ACCOUNTING POLICIES (CONTINUED)

38.19 Provisions (Continued)

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

38.20 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company, excluding any costs of servicing equity other than ordinary shares
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(b) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

38.21 Dividend income

Dividend income is recognized when the right to receive payment is established.

38.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

39 SUBSIDIARIES AND CONTROLLED STRUCTURED ENTITY

The following is a list of the principal subsidiaries and controlled structured entity at 31 December 2024:

Name of entity	Place and date of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued/paid-in capital	Effective interest held as at 31 December 2024	2023
KKC Holdings Limited	The Cayman Islands, 22 April 2014, limited liability company	Investment holding, the Cayman Islands	USD7,700	**100%**	100%
KKC Holdings Limited	Hong Kong, 8 May 2014, limited liability company	Investment holding, Hong Kong	HKD1	**100%**	100%
Beijing KKC Technology Company Limited	The PRC, 10 July 2014, limited liability company#	Transaction services, the PRC	USD11,400,000	**100%**	100%
Shanghai Yixin Financing Lease Co., Ltd.	The PRC, 12 August 2014, limited liability company*	Leasing services, the PRC	USD1,500,000,000	**100%**	100%
Yixin Holding Hong Kong Limited (formerly known as Yixin Capital Hongkong Limited)	Hong Kong, 27 November 2014, limited liability company	Investment holding, Hong Kong	HKD10	**100%**	100%
Xinche Investment (Shanghai) Co., Ltd. (formerly known as Shanghai Rongche Information Technology Limited)	The PRC, 16 January 2015, limited liability company#	Investment holding, the PRC	USD2,040,354,040	**100%**	100%
Shanghai Xulu Information Technology Co., Ltd. (formerly known as Shanghai Lanshu Information Technology Co., Ltd.)	The PRC, 29 January 2015, limited liability company	Technology development, the PRC	RMB150,000,000	**100%**	100%
Shanghai Xingyisheng Information Technology Co., Ltd. (formerly known as Shanghai Techuang Advertisements Co., Ltd.)	The PRC, 29 January 2015, limited liability company*	Advertising services, the PRC	USD20,000,000	**100%**	100%
Tianjin Hengtong Jiahe Financing Lease Co., Ltd.	The PRC, 18 May 2015, limited liability company*	Leasing services, the PRC	USD500,000,000	**100%**	100%
Shenyang Yixin Financial Service Co., Ltd.	The PRC, 13 December 2016, limited liability company#	Financial services, the PRC	RMB10,000,000	**100%**	100%

39 SUBSIDIARIES AND CONTROLLED STRUCTURED ENTITY (CONTINUED)

Name of entity	Place and date of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued/paid-in capital	Effective interest held as at 31 December 2024	Effective interest held as at 31 December 2023
Beijing Yixin Auto Leasing Co., Ltd.	The PRC, 15 December 2016, limited liability company	Auto leasing, the PRC	RMB9,000,000	**100%**	100%
Guangzhou Rongche Financing Lease Co., Ltd.	The PRC, 8 March 2017, limited liability company	Leasing services, the PRC	RMB200,000,000	**100%**	100%
Tianjin Huibao Information Technology Consultants Co,. Ltd. (formerly known as Tianjin Huibao Advertising Co., Ltd.)	The PRC, 10 August 2017, limited liability company#	Advertising services, the PRC	USD2,000,000	**100%**	100%
Xinjiang Yin'an Information Technology Co., Ltd.	The PRC, 6 September 2017, limited liability company#	Advertising services, the PRC	USD10,000,000	**100%**	100%
Xinjiang Wanxing Information Technology Co., Ltd.	The PRC, 24 January 2018, limited liability company#	Information technology, the PRC	RMB20,000,000	**100%**	100%
Tianjin Wuxin Commercial Factoring Co., Ltd.	The PRC, 12 June 2018, limited liability company	Commercial factoring, the PRC	RMB50,000,000	**100%**	100%
Rising Champion International Limited	Hong Kong, 15 June 2018, limited liability company	Investment holding, Hong Kong	HKD1	**100%**	100%
Tianjin Kars Information Technology Co., Ltd.	The PRC, 19 June 2018, limited liability company#	Transaction services, the PRC	RMB20,000,000	**100%**	100%
Eminent Success Holdings Group Limited	British Virgin Islands, 26 June 2018, limited liability company	Investment holding, British Virgin Islands	USD50,000	**100%**	100%
Xinjiang Jinchuan Jiahua Automobile Service Co., Ltd.	The PRC, 20 March 2019, limited liability company#	Transaction services, the PRC	RMB5,000,000	**100%**	100%
Shanghai Zengxin Information Technology Co., Ltd.	The PRC, 25 April 2019, limited liability company	Technology development, the PRC	RMB500,000,000	**100%**	100%

39 SUBSIDIARIES AND CONTROLLED STRUCTURED ENTITY (CONTINUED)

Name of entity	Place and date of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued/paid-in capital	Effective interest held as at 31 December 2024	2023
Guangdong Haihan Technology Development Co., Ltd.	The PRC, 8 November 2019, limited liability company#	Information technology, the PRC	RMB102,200,000	**100%**	100%
Guangzhou Shengda Financing Guarantee Company Limited	The PRC, 12 November, 2019, limited liability company	Financial services, the PRC	RMB1,700,170,000	**100%**	100%
Hainan Xinye Information Technology Co., Ltd.	The PRC, 21 April, 2020, limited liability company	Information technology, the PRC	RMB10,000,000	**100%**	100%
Yunnan Juliying enterprise management Co., Ltd.	The PRC, 10 October 2020, limited liability company	Financial services, the PRC	RMB20,000,000	**100%**	100%
Xinjiang Wanhong Information Technology Co., Ltd.	The PRC, 15 September 2020, limited liability company	Information technology, the PRC	RMB20,000,000	**100%**	100%
Xinjiang Wanyi Information Technology Co., Ltd.	The PRC, 15 September 2020, limited liability company	Information technology, the PRC	RMB20,000,000	**100%**	100%
Tianjin Duoxin Financing Guarantee Company Limited	The PRC, 18 September 2020, limited liability company#	Financial services, the PRC	RMB400,000,000	**100%**	100%
Beijing Xinshu Information Technology Co., Ltd.	The PRC, 22 September 2020 limited liability company	Information technology, the PRC	RMB3,000,000	**100%**	100%
Yixin Hong Kong Investment limited	Hong Kong, 25 November 2020, limited liability company	Investment holding, Hong Kong	HKD1	**100%**	100%
Ruige Capital Management Co., Ltd.	The PRC, 23 December 2020, limited liability company#	Investment holding, the PRC	USD100,000,000	**100%**	100%
Beijing Lanshu Information Technology Co., Ltd.	The PRC, 5 February 2021, limited liability company	Information technology, the PRC	RMB50,000,000	**100%**	100%

39 SUBSIDIARIES AND CONTROLLED STRUCTURED ENTITY (CONTINUED)

Name of entity	Place and date of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued/paid-in capital	Effective interest held as at 31 December 2024	2023
Qingdao Wanxin Information Technology Co., Ltd.	The PRC, 22 September 2021, limited liability company#	Information technology, the PRC	RMB10,000,000	**100%**	100%
X STAR Technology PTE. LTD. (formerly known as YI STAR PTE. LTD.)	Singapore, 9 February 2022, Private Trading Enterprise Limited	Lease service, Singapore	SGD70,000,000	**100%**	100%
Hainan Shengxin Financing Guarantee Co., Ltd.	The PRC, 2 December 2022, limited liability company	Financial services, the PRC	RMB100,000,000	**100%**	100%
X STAR Corporation (formerly known as YISTAR Corporation)	Japan, 29 March 2023, Kabushiki Kaisha	Lease service, Japan	JPY260,000,000	**100%**	100%
Shanghai Yi Bang Tai Renewable Resources Co., Ltd.	The PRC, 8 August 2023, limited liability company	Recycling and utilization of renewable resources, the PRC	RMB10,000,000	**100%**	100%
Beijing Yi Bang Tai Renewable Resources Co., Ltd.	The PRC, 29 August 2023, limited liability company	Recycling and utilization of renewable resources, the PRC	RMB10,000,000	**100%**	100%
X STAR Financial Services PTE. LTD.	Singapore, 22 August 2023, Private Trading Enterprise Limited	Lease service, Singapore	SGD30,000,000	**100%**	100%
Hangzhou Yi Bang Tai Renewable Resources Co., Ltd.	The PRC, 1 September 2023, limited liability company	Recycling and utilization of renewable resources, the PRC	RMB10,000,000	**100%**	100%
Chengdu Yi Bang Tai Renewable Resources Co., Ltd.	The PRC, 18 September 2023, limited liability company	Recycling and utilization of renewable resources, the PRC	RMB10,000,000	**100%**	100%
Nanjing Yi Bang Tai Renewable Resources Co., Ltd.	The PRC, 20 September 2023, limited liability company	Recycling and utilization of renewable resources, the PRC	RMB10,000,000	**100%**	100%
Shanghai Luchang Information Technology Co., Ltd.	The PRC, 22 November 2023, limited liability company	Information technology, the PRC	RMB1,000,000	**100%**	100%

39 SUBSIDIARIES AND CONTROLLED STRUCTURED ENTITY (CONTINUED)

Name of entity	Place and date of incorporation and kind of legal entity	Principal activities and place of operation	Particulars of issued/paid-in capital	Effective interest held as at 31 December 2024	2023
X STAR (THAILAND) Co., Ltd. (Thailand)	Thailand, 24 March 2024, limited liability company	Lease service, Thailand	THB5,000,000	**100%**	–
Guiyang Xinshu Information Technology Co., Ltd.	The PRC, 19 August 2024, limited liability company	Information technology, the PRC	RMB1,000,000	**100%**	–
Shanghai Rongche Information Technology Co., Ltd.	The PRC, 05 December 2024, limited liability company	Information technology, the PRC	RMB5,000,000	**100%**	–
Beijing Xulu Information Technology Co., Ltd. (formerly known as Beijing Yixin Information Technology Co., Ltd.)^	The PRC, 9 January 2015, limited liability company^	Advertising and subscription services, the PRC	RMB50,000,000	**100%**	100%

Remarks:

\# Registered as wholly foreign owned enterprises under PRC law

* Registered as sino-foreign equity joint venture under PRC law

^ Controlled by the contractual arrangements entered into by the Company and Tianjin Jushen Information Technology Co., Ltd., Shenzhen Tencent Industry Investment Fund Co., Ltd. and Beijing Jiasheng Investment Management Co., Ltd. on 4 October, 2018 (the "New Contractual Arrangements").

FIVE-YEAR FINANCIAL SUMMARY

CONDENSED CONSOLIDATED INCOME STATEMENTS

	Year ended 31 December				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024** **RMB'000**
Revenue	3,325,215	3,494,344	5,201,508	6,685,971	**9,887,733**
Gross profit	1,555,639	1,778,341	2,888,371	3,247,148	**4,636,271**
Profit/(Loss) for the year	(1,155,749)	28,953	370,814	554,958	**809,938**
Adjusted net profit/(loss) (unaudited)	(800,101)	273,219	688,338	910,050	**1,078,804**

CONDENSED CONSOLIDATED BALANCE SHEETS

	As at 31 December				
	2020 RMB'000	2021 RMB'000	2022 RMB'000	2023 RMB'000	**2024** **RMB'000**
Assets					
Non-current assets	10,642,174	12,639,925	15,312,176	22,308,843	**25,641,264**
Current assets	16,883,448	14,897,268	16,852,216	21,266,259	**22,949,977**
Total assets	27,525,622	27,537,193	32,164,392	43,575,102	**48,591,241**
Equity and liabilities					
Equity attributable to owners of the Company	14,533,862	14,642,211	15,326,213	15,765,170	**16,480,133**
Non-controlling interests	–	–	–	–	**–**
Total equity	14,533,862	14,642,211	15,326,213	15,765,170	**16,480,133**
Liabilities					
Non-current liabilities	2,776,710	4,531,978	5,721,829	11,819,515	**13,805,334**
Current liabilities	10,215,050	8,363,004	11,116,350	15,990,417	**18,305,774**
Total liabilities	12,991,760	12,894,982	16,838,179	27,809,932	**32,111,108**
Total equity and liabilities	27,525,622	27,537,193	32,164,392	43,575,102	**48,591,241**
Earnings/(Loss) per share					
– Basic (RMB per share)	(0.18)	0.005	0.058	0.086	**0.128**
– Diluted (RMB per share)	(0.18)	0.004	0.056	0.083	**0.123**
Dividend per share					
– Final (HK cents per share)	N/A	N/A	1.95	3.00	**6.50**
– Special (HK cents per share)	N/A	N/A	1.30	N/A	**6.50**

DEFINITIONS

"2024 Share Scheme"	the share scheme of the Company approved by the Shareholders at the extraordinary general meeting of the Company on June 27, 2024, a summary of the principal terms of which is set out in Appendix I to the circular of the Company dated June 11, 2024
"2024 Share Scheme Listing Approval"	the approval granted by the Listing Committee for the listing of, and permission to deal in the Shares to be allotted and issued pursuant to the share options and share awards granted under the 2024 Share Scheme on July 9, 2024
"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 Monday, May 12, 2025
"Articles of Association"	the articles of association of the Company currently in force
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Auditor"	PricewaterhouseCoopers, the auditor of the Company
"Beijing Bitauto"	Beijing Bitauto Internet Information Company Limited* (北京易車互聯信息技術有限公司), a company established under the laws of the PRC and a subsidiary of Tencent
"Beijing Bitauto Interactive"	Beijing Bitauto Interactive Advertising Co., Ltd.* (北京易車互動廣告有限公司), a company established under the laws of the PRC and a subsidiary of Tencent
"Beijing Bitcar Interactive"	Beijing Bitcar Interactive Information Technology Co., Ltd.* (北京易卡互動信息技術有限公司), a company established under the laws of the PRC and a subsidiary of Tencent
"Beijing KKC"	Beijing KKC Technology Co., Ltd.* (北京看看車科技有限公司), a company established under the laws of the PRC on July 10, 2014 and our wholly-owned subsidiary
"Beijing Tencent Cloud"	Tencent Cloud Computing (Beijing) Co., Ltd.* (騰訊雲計算(北京)有限責任公司), a limited liability company established in the PRC and a PRC operating entity of Tencent, the financial results of which have been consolidated and accounted for by Tencent as a controlled structured entity of Tencent by virtue of a series of contractual arrangements

"Beijing Xulu"	Beijing Xulu Information Technology Co., Ltd.* (北京序祿信息科技有限公司), formerly known as Beijing Yixin Information Technology Co., Ltd.* (北京易鑫信息科技有限公司), a company established under the laws of the PRC on January 9, 2015 and the Consolidated Affiliated Entity
"Bitauto"	Bitauto Holdings Limited, a company incorporated under the laws of the Cayman Islands on October 21, 2005 and previously listed on the NYSE (NYSE: BITA), a controlling Shareholder of the Company until the distribution in specie of all of the Shares held directly or indirectly by it to its shareholder on March 5, 2021
"Board"	the board of Directors
"Capitalization Issue"	the issue of 4,626,550,692 Shares on the Listing Date to be made upon the capitalization of part of the sum standing to the credit of the share premium account of our Company, details of which are set out in the section headed "History and Corporate Structure – The Capitalization Issue" of the Prospectus
"Cayman Companies Law"	the Companies Law, Cap 22 (Law 3 of 1961) of the Cayman Islands, as amended or supplemented from time to time
"Certain Qualification Requirements"	a number of stringent performance and operational experience requirements, including demonstrating good track records and experience in operating value-added telecommunications business overseas
"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 annual report, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company", "our 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 on November 19, 2014 and carries on business in Hong Kong as Yixin Automotive Technology Group Limited, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2858)
"Company Secretary"	the company secretary of the Company
"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 those set out in the Model Code
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules

"Consolidated Affiliated Entity"	the entity that the Company controls through the New Contractual Arrangements, namely Beijing Xulu
"Contractual Arrangements"	the series of contractual arrangements entered into by, among others, Beijing KKC, Beijing Xulu and its shareholders, details of which are described in the section headed "Report of the Directors – Continuing Connected Transactions – New Contractual Arrangements"
"Controlling Shareholder(s)"	has the meaning ascribed to it under the Listing Rules and, in the context of this annual report, refers to Tencent and Morespark and each of them shall be referred to as a Controlling Shareholder
"CSRC"	the China Securities Regulatory Commission
"Director(s)"	the director(s) of the Company
"Director Conditional Grant to Mr. Zhang"	the proposed conditional grant of 117,000,000 share options to Mr. Zhang under the 2024 Share Scheme as set out in the circular dated June 11, 2024
"ESG"	Environmental, Social and Governance
"ESG Committee"	the ESG committee of the Company
"FinTech"	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 and terminated on July 9, 2024, 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 and in the circular of the Company dated June 11, 2024
"FITE Regulations"	the Provisions on Administration of Foreign Invested Telecommunications Enterprises (《外商投資電信企業管理規定》) promulgated by the State Council on December 11, 2001 and amended on September 10, 2008 and February 6, 2016, which stipulates that the ultimate foreign equity ownership in a value-added telecommunications services provider shall not exceed 50%, except for online data processing and transaction processing businesses (operating e-commerce business) which may be 100% owned by foreign investors
"Group", "our Group", "Yixin 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 our Company by virtue of the New Contractual Arrangements) from time to time

"Hammer Capital"	Hammer Capital Opportunities Fund L.P., an exempted limited partnership organized under the laws of the Cayman Islands, the general partner of which is Hammer Capital Opportunities General Partner, which is ultimately beneficially owned by Mr. Rodney Ling Kay Tsang
"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
"Hong Kong Companies Ordinance"	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Hong Kong Share Registrar"	Computershare Hong Kong Investor Services Limited
"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
"JD.com"	JD.com, Inc., a company incorporated in the Cayman Islands and currently listed on Nasdaq Global Select Market (Nasdaq: JD) and the Main Board of the Stock Exchange (stock code: 9618), who was a Substantial Shareholder until November 18, 2024
"JD Technology"	Jingdong Technology Holding Co., Ltd. (京東科技控股股份有限公司) (formerly known as Jingdong Digits Technology Holding Co., Ltd.* (京東數字科技控股股份有限公司)), a company established under the laws of the PRC and is an associate of JD.com
"Listing"	the listing of the Shares on the Main Board
"Listing Committee"	the Listing Committee of the Stock Exchange
"Listing Date"	November 16, 2017, being 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 option market) operated by the Stock Exchange which is independent from and operates in parallel with the GEM of the Stock Exchange
"Measures"	the draft Measures for Cybersecurity Review (《網絡安全審查辦法》) issued by the Cyberspace Administration of China
"Memorandum and Articles of Association"	the memorandum and articles of association of the Company currently in force
"MIIT"	the Ministry of Industry and Information Technology of the PRC

"Model Code"	the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules
"Morespark"	Morespark Limited, a private company limited by shares incorporated under the laws of Hong Kong and wholly-owned by Tencent, and a Controlling Shareholder
"New Contractual Arrangements"	the series of contractual arrangements entered into by, among others, Tianjin Kars, Beijing Xulu and its shareholders, details of which are described in the section headed "Report of the Directors – Continuing Connected Transactions – New Contractual Arrangements"
"Nomination Committee"	the nomination committee of the Company
"NYSE"	the New York Stock Exchange
"OEM(s)"	the original equipment manufacturer(s)
"Opinions"	the Opinions on Strictly Cracking Down on Illegal Securities Activities (《關於依法從嚴打擊證券違法活動的意見》)
"PRC Legal Advisor"	Han Kun Law Offices, the PRC legal adviser to the Company
"Pre-IPO Share Option Scheme"	the pre-IPO share option scheme adopted by our Company 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
"Prospectus"	the prospectus of the Company dated November 6, 2017
"PwC"	PricewaterhouseCoopers, the Group's auditor
"Remuneration Committee"	the remuneration committee of the Company
"**Reporting Period"**	the year ended December 31, 2024
"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 our Company 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" of the Prospectus
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shanghai Yixin"	Shanghai Yixin Financing Lease Co., Ltd.* (上海易鑫融資租賃有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company

"Share(s)"	ordinary share(s) in the share capital of the Company with a par value of US$0.0001
"Shareholder(s)"	holder(s) of Share(s) from time to time
"Shareholders' Communication Policy"	the shareholders' communication policy of the Company
"Singapore Tencent Cloud"	Tencent Cloud International Pte. Ltd., a limited company incorporated under the laws of Singapore and a wholly-owned subsidiary of Tencent
"State Council"	the State Council of the PRC
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Substantial Shareholder"	has the meaning ascribed to it under the Listing Rules
"Technical Support and Consulting Services"	the technical services provided by Xinjiang Wanxing through its self-developed big data software application platform (including internet searches of target information and data analysis and processing based on big data, machine learning, search engines, cloud computing and micro-services), as well as the other relevant advanced technology software, information technology services, and consulting solutions provided by Xinjiang Wanxing
"Tencent"	Tencent Holdings Limited, a company incorporated in the Cayman Islands and listed on the Main Board of the Stock Exchange (stock code: 700), and a Controlling Shareholder
"Tencent Computer"	Shenzhen Tencent Computer System Company Limited* (深圳市騰訊計算機系統有限公司), a company established under the laws of the PRC with limited liability and a subsidiary of Tencent
"Tianjin Hengtong"	Tianjin Hengtong Jiahe Financing Lease Co., Ltd.* (天津恒通嘉合融資租賃有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Tianjin Kars"	Tianjin Kars Information Technology Co., Ltd.* (天津卡爾斯信息科技有限公司), a wholly foreign-owned enterprise established under the laws of the PRC and a wholly-owned subsidiary of the Company
"United States" or "US"	the United States of America, its territories, possessions and all areas subject to its jurisdiction
"US$"	United States dollars, the lawful currency of the United States
"X Star"	X Star Technology Pte. Ltd, a company incorporated under the laws of Singapore with limited liability and an indirect wholly-owned subsidiary of the Company

"Xinche Investment"	Xinche Investment (Shanghai) Co., Ltd.* (鑫車投資(上海)有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Xinjiang Wanhong"	Xinjiang Wanhong Information Technology Co., Ltd.* (新疆萬鴻信息科技有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Xinjiang Wanxing"	Xinjiang Wanxing Information Technology Co., Ltd.* (新疆萬興信息科技有限公司), a company established under the laws of the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
"Yiche Holding"	Yiche Holding Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability, which is owned as to 64.94% by Morespark
"Yixin HK"	Yixin Holding Hong Kong Limited (易鑫集團香港有限公司), a company incorporated under the laws of Hong Kong on November 27, 2014 and a directly wholly-owned subsidiary of the Company
"Yunhan"	Yunhan Information Technology Co., Ltd.* (雲瀚信息科技有限公司, formerly known as Suqian Yunhan Information Technology Co., Ltd.* (宿遷雲瀚信息科技有限公司)), a company established under the laws of the PRC and a wholly-owned subsidiary of JD Technology
"Yusheng"	Yusheng Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability
"%"	per cent

* *for identification purposes only*

The English names of the PRC entities, PRC laws or regulations, and the PRC governmental authorities referred to in this annual report are translations from their Chinese names and are for identification purposes. If there is any inconsistency, the Chinese names shall prevail.

Certain amounts and percentage figures included in this annual report have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures preceding them and figures rounded to the nearest thousand, million or billion may not be identical to figures that have been rounded differently to them.

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