VCREDIT Holdings Limited
維 信 金 科 控 股 有 限 公 司

(registered by way of continuation in the Cayman Islands with limited liability)

(Stock Code: 2003)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED DECEMBER 31, 2024

The board (the "**Board**") of directors (the "**Directors**") of VCREDIT Holdings Limited (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**") for the year ended December 31, 2024 (the "**Year**").

FINANCIAL HIGHLIGHTS

	For the year ended December 31,		
	2024	2023	Change
	RMB million	*RMB million*	
Total Income	**3,929.7**	3,569.5	10.1%
Interest and similar income	**1,968.2**	1,477.3	33.2%
Less: interest expenses	**(345.1)**	(327.6)	5.3%
Loan facilitation service fees	**1,949.2**	2,241.0	–13.0%
Other income	**357.4**	178.8	99.8%
Operating Profit	**636.2**	604.8	5.2%
Net Profit	**478.2**	453.9	5.3%
Non-IFRS Adjusted Operating Profit(1)	**636.7**	606.5	5.0%
Non-IFRS Adjusted Net Profit(2)	**478.7**	455.6	5.1%

Notes:

(1) Non-IFRS Adjusted Operating Profit is defined as operating profit for the Year and for the year ended December 31, 2023, respectively, excluding share-based compensation expenses. For more details, please see the section headed "Management Discussion and Analysis – *Non-IFRS Measures*".

(2) Non-IFRS Adjusted Net Profit is defined as net profit for the Year and for the year ended December 31, 2023, respectively, excluding share-based compensation expenses. For more details, please see the section headed "Management Discussion and Analysis – *Non-IFRS Measures*".

FINAL DIVIDEND

The Board has recommended, subject to approval by shareholders of the Company ("**Shareholders**") at the annual general meeting of the Company expected to be held on Friday, June 13, 2025 (the "**AGM**"), the payment of a final dividend of HK20 cents (the "**Final Dividend**") per share of the Company ("**Share(s)**") (2023: HK10 cents).

BUSINESS REVIEW AND OUTLOOK

In 2024, despite a complex and severe external environment, ongoing international trade frictions and multiple challenges, China's economy remained relatively stable. The adjustments in the real estate market continued to deepen, with risks being gradually mitigated and positive changes emerging in the market. Policy measures were implemented to drive a steady economic recovery and whilst consumer demand remained in recovery mode, growth in consumer interest indicated a gradual market improvement. We actively adjusted our business strategies, strengthened risk control, and improved operational efficiency, continued to enhance our business framework to sustain and support a secure and compliant digital financial ecosystem, as well as moving ahead with our strategic plan to establish additional businesses in new markets.

During the Year, we continued to optimize our risk model, innovate product and services, and improve technological standards, to maintain focus on higher quality borrowers. Hand in hand with our financial technology innovation and risk control tightening, we also placed an emphasis on the protection of consumer rights of our borrowers and the security of their personal information to address regulatory developments in this regard in our industry. At the same time, initiatives to nurture and maintain talent development were also taken to promote the sustained and healthy development of our business. Our performance and results during the Year demonstrate the resilience and flexibility of our development strategy, business model and operations.

Business Review

Our loan origination volume in the Chinese mainland reached RMB55.75 billion for the Year. Given that the macroeconomic situation has not yet fully recovered, we adjusted our operating strategy by tightening risk control to mitigate borrower credit risk and asset quality depreciation and implemented cost control measures to improve operational efficiency.

In 2024, we further deepened the application of artificial intelligence ("**AI**") technology in the field of risk management, covering multiple core processes including customer segmentation, modeling, underwriting and collections. This significantly enhanced the precision and efficiency of risk identification. Concurrently, by continuously optimizing multi-source scorecards and strategy models, we stabilized the first payment delinquency ratio while effectively mitigating the impact of tightened regulatory policies and upgraded compliance requirements on loan collection, thereby improving the robustness of our risk management. Additionally, the continuous optimization of the approval process and refined adjustments to our risk control strategies have steadily increased the number of new customers approved, driving significant growth in our customer base and injecting new momentum into business expansion.

Technology serves as the core driving force of our development. In the first half of 2024, we officially launched '*金烏大模型*' *(Sunbird AI Hub)*, our AI large model, and deployed it across several aspects of our business. It is able to summarise large amounts of dialogue texts and significantly enhance the quality of customer service statistics and quality control through its application to intelligent credit. During the Year, we also completed further iterative upgrades of our core risk control system '*蜂鳥*' *(Hummingbird)* with the help of AI technology in the field of specialised modeling to maintain the performance of our rules engine. In relation to data security and user privacy protection, we introduced AI large models to analyze APP privacy policy texts, ensuring compliance of data collection. Additionally, '*金烏大模型*' *(Sunbird AI Hub)* is aiding in code generation by helping research and development staff to focus on the design and improvement of data structure and system architecture. In the office setting, by leveraging Retrieval-Augmented Generation technology, we have integrated our enterprise knowledge base with the office assistant, AI-powered robot '*維小智*' *(VQuickMind) 2.0*, enabling it to better understand user intentions and further enhancing work efficiency. These innovations provide robust safeguards for the stability of our business operations.

Building on our ongoing efforts to strengthen our technological capabilities, we continued to focus on expanding our user base and improving user experience. We committed ourselves to expanding our high-quality customer acquisition channels and iterating the full-chain customer acquisition operation system. In the second half of 2024, we entered into a cooperation agreement with a leading domestic fintech platform. During the same period, we reconstructed the operational map for new customers to address the full-chain breakpoints. For different breakpoints, we designed differentiated interaction methods, contact means, and strategies for new customers. Through these measures, we successfully achieved closed-loop management of customer acquisition and new customer operations, further improved the operational efficiency of new customers, effectively controlled operating costs, increased transaction conversion rates, and significantly enhanced user experience.

In addition to actively acquiring high-quality new customers, we also continuously optimized the operational strategies for existing users. In 2024, repeat borrowers accounted for 85.9% of the total loan volume. Leveraging our operational big data and advanced algorithmic models, we have meticulously crafted a range of financial products and services that cover the entire user life cycle. At the same time, we have upgraded our services at various points in the business process to shorten the loan disbursement time and reduce the user operation paths, and enhance user experience. As of December 31, 2024, our cumulative registered users reached 158.0 million, representing a year-on-year increase of 9.7% compared to 2023.

We have strengthened co-operation with our financial institution funding partners, especially deepening our relationship with systemically important banks. As of December 31, 2024, we have established long-term relationships with 110 external funding partners (including national joint-stock commercial banks, consumer finance companies and trust funds, etc.), thus growing our rich and diversified funding pool. With the construction of the VCREDIT fund management platform system, we have been able to more efficiently manage our capital needs, strengthen the whole life-cycle management of our funding partner co-operation, and steadily reduce our cost of funds. In addition, we have extended our technological solutions to our funding partners, expanding our digital alliance through our in-house developed '*崑崙鏡智能風控系統*'*(Kunlun Mirror Intelligent Risk Control System)* which leverages standardized risk control models based on credit data to conduct intelligent risk identification. This system also enables joint modeling to meet the personalized risk control needs of our funding partners, providing them with comprehensive credit risk management solutions. Furthermore, we have deepened our cooperation with funding partners in loan monitoring and consumer rights protection.

We also continued to progress our new business initiatives outside the Chinese mainland. In May 2024, our Hong Kong-based online consumer finance brand 'CreFIT' became the first money lender in Hong Kong to cooperate with China Mobile Hong Kong Company Limited to provide consumer finance products to customers on its MyLink platform. Additionally, in July 2024, we launched the CreFIT Cash Loan, which offers customers a fast and flexible financing solution for their short-term liquidity needs. This product underscores our commitment to innovation and our responsiveness to the diverse financial requirements of our users in Hong Kong. 'CreFIT' will look for opportunities to align with additional quality customer acquisition channels and develop mutually beneficial cooperation across cross-industry online platforms and widen access to users with a tailored instalment experience that can truly match real consumer finance scenarios.

Operating Review

During the Year, the Company's financial performance was primarily driven by its business operation in the Chinese mainland, as the Group's businesses outside the Chinese mainland were relatively early stage and their contribution was not material.

Products and Services

We primarily offer two credit products through our pure online loan origination processes: (1) credit card balance transfer products, and (2) consumption credit products, both of which are installment-based. Interest rates payable in respect of loans to customers (inclusive, where applicable, of our funding partners' interest share and guarantee charges of credit enhancement organisations) ranged from 8.0% per annum to 35.9% per annum depending on the type of consumer loan product and factors such as credit assessment results and allocated score, loan size and loan tenor. During the Year, the average term of our credit products was approximately 10.0 months and the average loan size was approximately RMB10,555. As at December 31, 2024, the aggregate principal amount outstanding from the five largest borrowers of the Group was RMB998,254 (representing 0.004% of the total loan balance of the Group as at December 31, 2024) and the principal amount outstanding from the largest borrower of the Group was RMB200,500 (representing approximately 0.001% of the total loan balance of the Group as at December 31, 2024). The total number of cumulative borrowers was 11.1 million as of December 31, 2024.

The following table sets forth a breakdown of the Group's loan origination volume in the Chinese mainland by funding structure for the years indicated.

	For the year ended December 31,			
	2024		2023	
Loan Origination Volume	***RMB million***	*%*	*RMB million*	*%*
Direct lending	**1,033.6**	**1.9%**	1,296.5	1.7%
Trust lending	**11,690.9**	**21.0%**	10,802.6	14.4%
Credit-enhanced loan facilitation	**35,354.5**	**63.4%**	50,676.4	67.3%
Pure loan facilitation	**7,674.3**	**13.7%**	12,472.7	16.6%
Total	**55,753.3**	**100.0%**	75,248.2	100.0%

From all the loans originated by us, the outstanding loan principal is calculated using an amortization schedule and is defined as the online consumption products outstanding balance of loans to customers. As at December 31, 2024, the Group's online consumption products outstanding balance of loans to customers in the Chinese mainland was RMB26,220.3 million.

Asset Quality

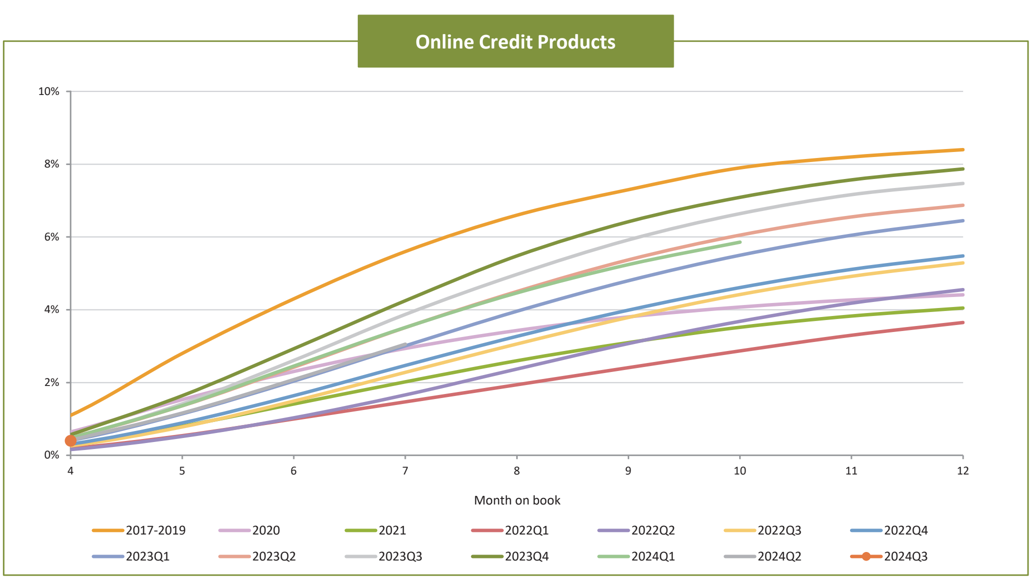
During the Year, despite global economic volatility and a challenging domestic consumption recovery, China's economy has shown a steady and improving trend, thanks to a series of timely policy measures introduced by the government.

Facing a complex situation, we have deepened the application of AI technology in our risk management process, enabling it to run through key processes such as customer segmentation, modeling and collections. We have refined our customer management by, on the one hand, stepping up our efforts to acquire new customers and, on the other hand, continuously optimizing our multi-source scoring cards and risk models, and dynamically and flexibly adjusting our risk exposure management policy to stabilise our risk indicators. Meanwhile, innovations in the collection mechanism have enhanced customer loan repayments and collection efficiency through customer tier management, strengthening consumer rights protection and flexibly adjusting incentive schemes. As a result, the first payment delinquency ratio stabilised at 0.58% in the fourth quarter of 2024, representing a year-on-year decrease of 18.3% from the fourth quarter of 2023. The M1-M3 ratio and M3+ ratio also declined gradually as a result of enhanced risk controls, to 3.39% and 3.02%, respectively, in the fourth quarter of 2024.

We plan to add to our marketing channels to enhance our capability of acquiring better customers. At the same time, we will trial more external/internal data to better differentiate customers at every stage. Furthermore, we will continue to explore micro-innovations in the collection process to better adapt to the tighter regulation on consumer rights protection, and to achieve an optimal balance between risk indicators and customer experience.

	2023Q1	**2023Q2**	**2023Q3**	**2023Q4**	**2024Q1**	**2024Q2**	**2024Q3**	**2024Q4**
First payment delinquency ratio(1)	0.53%	0.64%	0.61%	0.71%	**0.59%**	**0.50%**	**0.48%**	**0.58%**
M1-M3 ratio(2)	3.20%	4.09%	4.45%	5.07%	**4.62%**	**4.47%**	**3.52%**	**3.39%**
M3+ ratio(3)	2.49%	2.26%	2.83%	2.98%	**3.49%**	**3.82%**	**3.89%**	**3.02%**

The following diagram sets forth our latest Cohort-Based M3+ Delinquency Ratio(4).



Notes:

(1) First payment delinquency ratio is defined as the total balance of outstanding principal amount of the loans in the Chinese mainland we originated in the applicable period that were delinquent on their first payment due dates divided by the aggregate loan origination volume in the Chinese mainland in that period.

(2) M1–M3 ratio is calculated by dividing (i) the outstanding balance of online loans in the Chinese mainland which have been delinquent up to 3 months, by (ii) the total outstanding balance of loans to customers that have not been written off in the Chinese mainland.

(3) M3+ ratio is calculated by dividing (i) the outstanding balance of online loans in the Chinese mainland which have been delinquent for more than 3 months and have not been written off, by (ii) the total outstanding balance of loans to customers that have not been written off in the Chinese mainland.

(4) Cohort-Based M3+ Delinquency Ratio is defined as (i) the total amount of principal for the online loans in the Chinese mainland in a vintage that have become delinquent for more than 3 months, less (ii) the total amount of recovered past due principal, and then divided by (iii) the total amount of initial principal for loans in such vintage in the Chinese mainland.

Outlook and Strategies

The macro environment is constantly changing and evolving, which requires us to respond promptly and effectively to remain competitive. To contribute further growth in our consumer finance business and fulfill the financial needs of high-quality customers, we will strive to refine our business strategies and enhance our technology. In addition to expanding our existing consumer finance operation in China, we shall seek to broaden our business strategies by investing in, or collaborating with or acquiring similar, related or complementary businesses and industries in other jurisdictions, including Hong Kong, South-East Asia and Europe. We will continually review potential investment opportunities and business prospects and make suitable investments and acquisitions as opportunities arise.

The Group will continue to focus on leveraging our advanced expertise and knowledge and actively embrace trends and innovation that are shaping our industry and society more broadly.

Moving forward, we intend to execute the following strategies:

- Streamline and extend our credit solutions to better serve our customers to improve brand recognition and the loyalty and creditworthiness profile of our customer base

- Enhance risk management capability by continuing to deploy evolving technology and AI

- Strengthen long-term collaborations with licensed financial institutional partners and other business partners

- Ensure our business is conducted within applicable regulatory parameters to achieve regulation-centric sustainability

- Review and assess potential business prospects and invest or collaborate in or acquire similar, related or complementary businesses and industries in China and other jurisdictions

- Cultivate dynamic enterprise value and culture, grow our in-house talents

MANAGEMENT DISCUSSION AND ANALYSIS

The following selected financial information has been derived from our audited consolidated annual financial information and related notes included elsewhere in this announcement.

Total Income

We derived our total income through (i) net interest and similar income; (ii) loan facilitation service fees; and (iii) other income. Our total income increased by 10.1% to RMB3,929.7 million for the Year, compared to RMB3,569.5 million for the year ended December 31, 2023 (the "**Corresponding Year**"), primarily due to an increase in the average outstanding loan balance of our trust lending structure and an increase in the contributions from other revenue streams, partially offset by a decrease in loan volume through our credit-enhanced and pure loan facilitation structures given conservative approach on risk control.

Net Interest and Similar Income

Our net interest and similar income is comprised of (i) interest and similar income; and (ii) interest expenses. The following table sets forth our net interest and similar income for the years indicated.

	For the year ended December 31,	
	2024	2023
Net interest and similar income	***RMB'000***	*RMB'000*
Interest and similar income	**1,968,171**	1,477,300
Less: interest expenses	**(345,078)**	(327,646)
Total	**1,623,093**	1,149,654

We recorded interest and similar income generated from loans to customers originated under direct lending and trust lending structures of RMB1,968.2 million for the Year, an increase of 33.2% compared to RMB1,477.3 million for the Corresponding Year, primarily due to an increase in the average outstanding loan balance.

Interest expenses increased by 5.3% to RMB345.1 million for the Year, compared to RMB327.6 million for the Corresponding Year, primarily due to an increase in the average borrowing balance, although partially offset by a decrease in the weighted average interest rate during the Year.

Loan Facilitation Service Fees

Loan facilitation service fees for the Year were RMB1,949.2 million, compared with RMB2,241.0 million for the Corresponding Year, a decrease of 13.0%, mainly due to the decrease in loan origination volume from our credit enhancement and pure loan facilitation structures given conservative approach on risk control.

The following table sets forth a breakdown of our loan facilitation service fees for our credit-enhanced loan facilitation structure and our pure loan facilitation structure for the years indicated.

	For the year ended December 31,	
	2024	2023
Loan Facilitation Service Fees	***RMB'000***	*RMB'000*
Credit-enhanced loan facilitation	**1,868,492**	1,894,538
Pure loan facilitation	**80,750**	346,420
Total	**1,949,242**	2,240,958

The following table sets forth the allocation of our upfront loan facilitation service fees and post loan facilitation service fees for the years indicated.

	For the year ended December 31,	
	2024	2023
Loan Facilitation Service Fees	***RMB'000***	*RMB'000*
Upfront loan facilitation service fees	**1,219,901**	1,489,865
Post loan facilitation service fees	**729,341**	751,093
Total	**1,949,242**	2,240,958

Other Income

Other income increased by 99.8% to RMB357.4 million for the Year, compared to other income of RMB178.8 million for the Corresponding Year, primarily due to the increase in membership fees through our diverse service and increase in referral fees from growing third-party platforms.

The following table sets forth a breakdown of our other income for the years indicated.

	For the year ended December 31,	
	2024	2023
Other Income	***RMB'000***	*RMB'000*
Membership fees, referral fees and other service fees	**226,162**	107,289
Government grants	**67,280**	12,790
Penalty and other charges	**32,722**	24,193
Gains from guarantee	**2,175**	20,922
Others	**29,039**	13,682
Total	**357,378**	178,876

Expenses

Origination and Servicing Expenses

Our origination and servicing expenses decreased by 5.2% to RMB1,464.3 million for the Year, compared to RMB1,543.9 million for the Corresponding Year, mainly due to a decrease in customer acquisition cost resulting from the reduced scale, partially offset by an increase in loan collection fees, reflecting our intensified efforts to improve our loan portfolio.

Sales and Marketing Expenses

Our sales and marketing expenses increased by 14.4% to RMB61.1 million for the Year, compared to RMB53.4 million for the Corresponding Year, due to the increase in employee benefit expenses and branding expenses as a result of our efforts to expand our operations across various areas to establish a diversified operating model in line with our business strategy.

General and Administrative Expenses

Our general and administrative expenses increased by 10.6% to RMB372.4 million for the Year, compared to RMB336.8 million for the Corresponding Year, primarily driven by increased employee benefit expenses, reflecting our continued efforts in attracting and retaining talent to support our growing business scale and scope.

Research and Development Expenses

Our research and development expenses were RMB125.5 million for the Year, compared to RMB125.9 million for the Corresponding Year, primarily attributable to our continued investment in technological capabilities and innovation, while streamlining our procedures and improvements in efficiency.

Operating Profit

We recorded an operating profit of RMB636.2 million for the Year, an increase of 5.2% compared to RMB604.8 million for the Corresponding Year, primarily due to (i) effectively controlled operating expenses in line with the contraction of our loan origination volume despite the Group's strategy of diversifying into new markets and businesses; (ii) an increase in our other income through our diverse services to customers and growing third-party platforms; and (iii) improvement in asset quality of new originated loans as a result of effectively strengthening risk control strategies.

Net Profit

We recorded a net profit of RMB478.2 million for the Year, an increase of 5.3% compared to RMB453.9 million for the Corresponding Year, which is consistent with our operating profit for the Year.

Non-IFRS Adjusted Operating Profit

Our Non-IFRS adjusted operating profit was RMB636.7 million for the Year, an increase of 5.0% compared to RMB606.5 million for the Corresponding Year.

Non-IFRS Adjusted Net Profit

Our Non-IFRS adjusted net profit was RMB478.7 million for the Year, an increase of 5.1% compared to RMB455.6 million for the Corresponding Year.

Non-IFRS Measures

To supplement our historical financial information, which is presented in accordance with IFRS Accounting Standards, we also use Non-IFRS adjusted operating profit and Non-IFRS adjusted net profit as additional financial measures, which are not required by, or presented in accordance with, IFRS. We believe that these Non-IFRS measures facilitate comparisons of operating performance from period to period and company to company by eliminating potential impact of items that our management do not consider to be indicative of our operating performance. We believe that these measures provide useful information to investors and others in understanding and evaluating our consolidated results of operations and financial position in the same manner as they help our management. From time to time in the future, there may be other items that the Company may exclude in reviewing its financial results. Our presentation of the Non-IFRS adjusted operating profit and Non-IFRS adjusted net profit may not be comparable to similarly titled measures presented by other companies. The use of these Non-IFRS measures has limitations as analytical tools, and should not be considered in isolation from, or as substitutes for analysis of, our results of operations or financial position as reported under IFRS.

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Operating Profit	**636,196**	604,845
Add:		
Share-based compensation expenses	**511**	1,640
Non-IFRS Adjusted Operating Profit	**636,707**	606,485
Non-IFRS Adjusted Operating Profit Margin(1)	**16.2%**	17.0%

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Net Profit	**478,163**	453,911
Add:		
Share-based compensation expenses	**511**	1,640
Non-IFRS Adjusted Net Profit	**478,674**	455,551
Non-IFRS Adjusted Net Profit Margin(2)	**12.2%**	12.8%

Notes:

(1) Non-IFRS Adjusted Operating Profit Margin is calculated by dividing the Non-IFRS Adjusted Operating Profit by the total income.

(2) Non-IFRS Adjusted Net Profit Margin is calculated by dividing the Non-IFRS Adjusted Net Profit by the total income.

Loans to Customers

Our loans to customers represent the fair value and amortised cost of total balance of loans originated by us through our trust lending and direct lending structures. Our loans to customers decreased by 4.2% to RMB6,247.1 million as at December 31, 2024, compared to RMB6,522.0 million as at December 31, 2023, primarily due to the decrease in our trust lending and direct lending loan origination volume in the Chinese mainland by 11.4% to RMB5,937.2 million for the six months ended December 31, 2024, compared to RMB6,703.2 million for the six months ended December 31, 2023.

	As at December 31,			
	2024		2023	
	RMB'000	***%***	*RMB'000*	*%*
Online consumption products	**6,247,054**	**100.0%**	6,522,037	100.0%

Contract Assets

Our contract assets decreased by 11.6% to RMB411.5 million as at December 31, 2024, compared to RMB465.4 million as at December 31, 2023, due to the decrease in our credit-enhanced and pure loan origination volume by 31.9% to RMB43,028.8 million for the Year, compared to RMB63,149.1 million for the Corresponding Year.

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Contract assets	**488,059**	552,808
Less: expected credit losses ("**ECL**") allowance	**(76,548)**	(87,400)
	411,511	465,408

Guarantee Receivables and Guarantee Liabilities

Our guarantee receivables decreased by 15.5% to RMB1,113.1 million as at December 31, 2024, compared to RMB1,317.0 million as at December 31, 2023. Our guarantee liabilities decreased by 41.6% to RMB895.8 million as at December 31, 2024, compared to RMB1,533.9 million as at December 31, 2023. The changes in guarantee receivables and guarantee liabilities are primarily due to the decrease in our credit-enhanced loan origination volume by 30.2% to RMB35,354.5 million for the Year, compared to RMB50,676.4 million for the Corresponding Year.

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Guarantee Receivables		
Opening balance	**1,317,024**	787,396
Addition arising from new business	**2,634,144**	3,359,307
ECL	**(198,114)**	(226,801)
Reversal due to early repayment	**(164,700)**	(164,675)
Payment received from borrowers	**(2,475,212)**	(2,438,203)
Ending Balance	**1,113,142**	1,317,024

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Guarantee Liabilities		
Opening balance	**1,533,883**	1,140,754
Addition arising from new business	**2,634,144**	3,359,307
Release of the margin	**(189,677)**	(233,509)
ECL	**187,502**	212,587
Reversal due to early repayment	**(164,700)**	(164,675)
Payouts during the year, net	**(3,105,351)**	(2,780,581)
Ending Balance	**895,801**	1,533,883

Borrowings and Notes Payable

Our total borrowings and notes payable, as recorded in our consolidated statement of financial position, comprise (i) payable to trust plan holders; (ii) bank borrowings; (iii) borrowings from other financial institutions; and (iv) notes payable. Our payable to trust plan holders decreased by 7.3% to RMB4,632.4 million as at December 31, 2024, compared to RMB4,999.1 million as at December 31, 2023, primarily due to a decrease in loans originated by us through our trust lending structure for the six months ended December 31, 2024.

As at December 31, 2024, the Group had secured bank borrowings with a principal amount of RMB300.0 million guaranteed by deposits of RMB309.5 million.

As at December 31,2024, the Group had secured borrowings from other financial institutions with a principal amount of HK$12.0 million guaranteed by way of first floating charge over a portfolio of loans to customers with an aggregate amount of HK$15.0 million.

The notes payable comprised the remaining principal amount of HK$100,000,000 of the HK$200,000,000 9.5% senior notes due 2025 issued on June 16, 2022. Ace Effort Asia Limited, a subsidiary of the Company, issued the Series 1 Senior Secured Guaranteed Notes in the aggregate principal amount of HK$50,000,000 with a coupon rate at 9.5% per annum due 2025 on July 18, 2024 and the Series 2 Senior Secured Guaranteed Notes in the aggregate principal amount of HK$50,000,000 with a coupon rate at 9.0% per annum due 2025 on October 16, 2024, secured by way of first floating charges over a portfolio of loans to customers of VCREDIT Finance Limited, a subsidiary of the Company, with an aggregate amount of HK$75.0 million.

	As at December 31,			
	2024		2023	
	RMB'000	*%*	*RMB'000*	*%*
Payable to trust plan holders	**4,632,391**	**87.8%**	4,999,099	89.9%
Secured bank borrowings	**302,426**	**5.8%**	314,901	5.7%
Unsecured bank borrowings	**143,219**	**2.7%**	157,888	2.8%
Borrowings from other financial institutions	**11,146**	**0.2%**	–	–
	5,089,182	**96.5%**	5,471,888	98.4%
Notes payable	**184,840**	**3.5%**	89,989	1.6%
Total	**5,274,022**	**100.0%**	5,561,877	100.0%

Weighted Average Interest Rates of Borrowings and Notes Payable	**As at December 31,**	
	2024	2023
Payable to trust plan holders	**6.3%**	8.3%
Bank borrowings	**5.3%**	5.1%
Borrowings from other financial institutions	**9.5%**	Nil
Notes payable	**9.4%**	9.5%

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our cash requirements principally from cash generated from operating activities and capital contribution from Shareholders.

Cash Flows

The following table sets forth our cash flows for the years indicated.

	For the year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Net cash inflow/(outflow) from operating activities	**1,463,121**	(1,344,871)
Net cash inflow from investing activities	**45,829**	70,356
Net cash (outflow)/inflow from financing activities	**(714,171)**	580,516
Net increase/(decrease) in cash and cash equivalents	**794,779**	(693,999)
Cash and cash equivalents at the beginning of the years	**896,700**	1,592,514
Effects of exchange rate changes on cash and cash equivalents	**1,958**	(1,815)
Cash and cash equivalents at the end of the years	**1,693,437**	896,700

Our cash inflow generated from operating activities during the Year primarily consists of principal and interest, loan facilitation service fees and other service fees received from the consumer finance products we offered. Our cash outflow used in operating activities during the Year primarily consists of loan volume origination by direct and trust lending structures, cash payment of guarantee indemnification, security deposits in financial institutions funding partners, employee salaries and benefits, taxes and surcharges, and other operating expenses. We had net cash inflow generated from operating activities of RMB1,463.1 million for the Year, as compared to net cash outflow used in operating activities of RMB1,344.9 million for the Corresponding Year, primarily due to (i) a decrease in cash outflow due to the reduced loan volume originated by our trust lending structure for the six months ended December 31, 2024; (ii) an increase in cash inflow from the recovery of security deposits in financial institution funding partners as a result of a decrease in loan origination volume for our credit enhancement and pure loan facilitation structures; (iii) a decrease in cash outflow used in payment of operating expenses in line with the decrease in our loan origination volume and (iv) an increase in cash inflow from other revenue streams.

We had net cash inflow from investing activities of RMB45.8 million for the Year, as compared to net cash inflow of RMB70.4 million for the Corresponding Year. For the Year, we had a net cash inflow decrease primarily due to a cash outflow for payments for property, plant and equipment of RMB37.8 million and a cash outflow for payment of investments accounted for using the equity method of RMB14.6 million for the Year, compared to a cash outflow used in payments for property, plant and equipment of RMB19.5 million for the Corresponding Year. In addition, we had a net cash inflow of RMB101.7 million for the Year compared to a net cash inflow of RMB94.6 million for the Corresponding Year, as a result of the change of our financial investments at fair value through profit or loss.

We had net cash outflow for financing activities of RMB714.2 million for the Year, as compared to net cash inflow from financing activities of RMB580.5 million for the Corresponding Year, mainly because we had a net cash outflow for borrowings and trust plans of RMB369.3 million, as compared to a net cash inflow of RMB1,133.3 million for the Corresponding Year. We also had net cash outflow used in payment of interest expenses of RMB357.1 million for the Year, as compared to a net cash outflow of RMB319.9 million for the Corresponding Year. Additionally, we had a net cash inflow of RMB90.1 million from issuance of notes payable and a net cash outflow for dividends of RMB45.3 million for the Year, as compared to a net cash outflow of RMB88.4 million used in repayment of notes payable and a net cash outflow for dividends of RMB110.9 million for the Corresponding Year.

Capital Commitments

The Group did not have any significant capital commitments contracted for at the end of the Year but not recognized as liabilities as at December 31, 2024.

Charges on Assets

As at December 31, 2024, the Group had cash deposits of RMB309.5 million pledged to banks as securities for banking facilities. In addition, the Group had a portfolio of loans to customers with an aggregate amount of HK$15.0 million pledged as a floating charge to secure the Group's borrowings from other financial institutions, and a portfolio of loans to customers with an aggregate amount of HK$75.0 million pledged as a floating charge to secure the Group's notes payable.

Contingencies

Save as disclosed in this announcement, the Group did not have any significant contingent liabilities as at December 31, 2024.

ACQUISITIONS AND DISPOSALS

Material Investments and Acquisitions

The Group acquired an indirect 15.0% interest in Thousand Whales Technology (BVI) Limited by way of a subscription for 6,000,000 Series Angel Preferred Shares for a consideration of HK$10.0 million on January 19, 2024 and a subscription for 3,592,814 Series Angel Preferred Shares for a consideration of HK$6.0 million on June 21, 2024. The applicable percentage ratios set out in rule 14.07 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") in respect of the acquisition are less than 5.0% and, therefore, the acquisition constitutes a de minimis transaction.

Save as disclosed in this announcement, the Group did not hold any material investments or make any material acquisitions during the Year.

Future Plans for Material Investments and Capital Assets

Save as disclosed in this announcement, the Group does not have any present plans for other material investments and capital assets.

FINANCIAL RESULTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Year ended December 31,	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Continuing operations			
Interest and similar income	*4*	**1,968,171**	1,477,300
Less: interest expenses	*4*	**(345,078)**	(327,646)
Net interest and similar income	*4*	**1,623,093**	1,149,654
Loan facilitation service fees	*5*	**1,949,242**	2,240,958
Other income	*6*	**357,378**	178,876
Total income		**3,929,713**	3,569,488
Origination and servicing expenses	*7*	**(1,464,307)**	(1,543,932)
Sales and marketing expenses	*7*	**(61,051)**	(53,374)
General and administrative expenses	*7*	**(372,441)**	(336,830)
Research and development expenses	*7*	**(125,510)**	(125,853)
Credit impairment losses	*8*	**(311,082)**	(344,558)
Fair value change of loans to customers		**(979,108)**	(574,077)
Other gains, net	*9*	**19,982**	13,981
Operating profit		**636,196**	604,845
Share of net profit of associates accounted for using the equity method		**(6,820)**	(7,851)
Profit before income tax		**629,376**	596,994
Income tax	*10*	**(151,213)**	(143,083)
Profit for the year attributable to:			
Owners of the Company		**478,165**	453,906
Non-controlling interests		**(2)**	5
		478,163	453,911

	Notes	Year ended December 31, 2024 RMB'000	2023 RMB'000
Other comprehensive income			
Exchange differences on translation of foreign operations		**3,617**	2,206
Total comprehensive income for the year, net of tax		**481,780**	456,117
Total comprehensive income attributable to:			
Owners of the Company		**481,782**	456,112
Non-controlling interests		**(2)**	5
		481,780	456,117
Basic earnings per Share (RMB yuan)	*11*	**0.98**	0.93
Diluted earnings per Share (RMB yuan)	*11*	**0.98**	0.93
Non-IFRS Measure			
Non-IFRS Adjusted Operating Profit(1)		**636,707**	606,485
Non-IFRS Adjusted Net Profit(2)		**478,674**	455,551
Non-IFRS Adjusted basic earnings per Share (RMB yuan)(3)		**0.98**	0.93

Notes:

(1) Non-IFRS Adjusted Operating Profit is defined as operating profit for the Year and for the year ended December 31, 2023, respectively, excluding share-based compensation expenses. For more details, please see the section headed "Management Discussion and Analysis – *Non-IFRS Measures*".

(2) Non-IFRS Adjusted Net Profit is defined as net profit for the Year and for the year ended December 31, 2023, respectively, excluding share-based compensation expenses. For more details, please see the section headed "Management Discussion and Analysis – *Non-IFRS Measures*".

(3) Non-IFRS Adjusted basic earnings per Share is calculated by dividing the Non-IFRS Adjusted Net Profit by the weighted average number of Shares outstanding during the Year and the year ended December 31, 2023, respectively.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at December 31,	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Assets			
Cash and cash equivalents	*12(a)*	**1,693,418**	896,534
Restricted cash	*12(b)*	**634,575**	652,241
Loans to customers	*13*	**6,247,054**	6,522,037
Contract assets	*14*	**411,511**	465,408
Guarantee receivables	*15*	**1,113,142**	1,317,024
Financial investments at fair value through profit or loss		**54,376**	148,695
Investments accounted for using the equity method		**21,585**	13,384
Deferred tax assets		**637,425**	522,217
Right-of-use assets		**41,087**	58,187
Intangible assets		**38,739**	36,292
Property and equipment		**96,496**	45,369
Other assets		**716,943**	1,257,075
Total assets		**11,706,351**	11,934,463
Liabilities			
Current tax liabilities		**238,971**	285,651
Guarantee liabilities	*15*	**895,801**	1,533,883
Lease liabilities		**42,453**	59,256
Borrowings	*16*	**5,089,182**	5,471,888
Notes payable		**184,840**	89,989
Deferred tax liabilities		**15,000**	7,500
Other liabilities		**633,177**	317,706
Total liabilities		**7,099,424**	7,765,873
Equity			
Share capital		**40,067**	40,067
Share premium		**5,198,001**	5,243,415
Treasury shares		**(3,189)**	(5,399)
Other reserves		**752,196**	749,536
Accumulated losses		**(1,381,559)**	(1,859,724)
Non-controlling interests		**1,411**	695
Total equity		**4,606,927**	4,168,590
Total liabilities and equity		**11,706,351**	11,934,463

NOTES

1 General Information

The Company was incorporated in the British Virgin Islands ("**BVI**") on July 24, 2007 as an exempted company with limited liability under the laws of the BVI.

Pursuant to a Shareholders' resolution dated February 6, 2018, the Company re-domiciled to the Cayman Islands by way of continuation as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961) of the Cayman Islands, as amended or supplemented. The re-domiciliation was completed on February 26, 2018. The current address of the Company's registered office is at Harneys Fiduciary (Cayman) Limited, 4th Floor, Harbour Place, 103 South Church Street, P.O. Box 10240, Grand Cayman KY1-1002, Cayman Islands.

The Company is an investment holding company. The Group is a technology-driven consumer financial service provider in the mainland of People's Republic of China and the Hong Kong Special Administrative Region of the People's Republic of China ("**Hong Kong**"). The Group offers tailored consumer finance products to prime and near-prime borrowers, who are underserved by traditional financial institutions, by facilitating transactions between borrowers and financial institutions or lending to borrowers.

The Company's shares have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since June 21, 2018 by way of its initial public offering. As at December 31, 2024, the number of Shares in issue is 489,459,789, with a par value of HK$0.10 per Share.

The consolidated financial statements are presented in Renminbi ("**RMB**"), unless otherwise stated.

The consolidated financial statements have been approved and authorised for issue by the Board on March 25, 2025.

2 Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards and comply with the disclosure requirements of the Hong Kong Companies Ordinance. IFRS Accounting Standards comprise the following authoritative literature:

- IFRS Accounting Standards
- International Accounting Standards, and
- Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments which are measured at fair value.

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

The Group continued to adopt the going concern basis in preparing its consolidated financial statements.

3 Material Accounting Policies

The material accounting policies applied in the preparation of the consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(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 January 1, 2024:

- Lease Liability in Sale and Leaseback – Amendments to IFRS 16; and
- Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7.

The amendments listed above did not have any material impact on the amounts recognised in prior and current period and are not expected to significantly affect the future periods.

(b) New standards and interpretations that have relevance to the Group but not yet adopted by the Group

Certain new accounting standards and amendments to accounting standards have been published that are not mandatory for December 31, 2024 reporting periods and have not been early adopted by the Group.

		Effective for annual periods beginning on or after
Amendments to IAS 21 (i)	Lack of Exchangeability	January 1, 2025 (early adoption is available)
Amendment to IFRS 9 and IFRS 7 (i)	Amendments to the Classification and Measurement of Financial Instruments	January 1, 2026
IFRS 19 (i)	Subsidiaries without Public Accountability: Disclosures	January 1, 2027
IFRS 18 (ii)	Presentation and Disclosure in Financial Statements	January 1, 2027 (early adoption is available)

The Group's assessment of the impact of these new standards and amendments is set out below：

(i) The Group does not expect these amendments or standard to have a material impact on its operations or financial statements.

(ii) IFRS 18: Presentation and Disclosure in Financial Statements

IFRS 18 will replace IAS 1 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.

(b) New standards and interpretations that have relevance to the Group but not yet adopted by the Group *(continued)*

(ii) IFRS 18: Presentation and Disclosure in Financial Statements *(continued)*

Management is currently assessing the detailed implications of applying the new standard on the Group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- Although the adoption of IFRS 18 will have no impact on the Group's net profit, the Group expects that grouping items of income and expenses in the statement of profit or loss into the new categories might impact how operating profit is calculated and reported.

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.

- The Group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:

  o management-defined performance measures;

  o a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and

  o for the first annual period of application of IFRS 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The Group will apply the new standard from its mandatory effective date of January 1, 2027. Retrospective application is required, and so the comparative information for the financial year ending December 31, 2026 will be restated in accordance with IFRS 18.

4 Net interest and similar income

	Year ended December 31, 2024	2023
	RMB'000	*RMB'000*
Interest and similar income		
Loans to customers at fair value through profit or loss	**1,951,518**	1,476,460
Loans to customers at amortised cost	**16,653**	840
	1,968,171	1,477,300
Less: interest expenses		
Payable to trust plan holders	**(303,060)**	(299,955)
Bank borrowings	**(29,138)**	(14,374)
Notes payable	**(12,608)**	(13,314)
Borrowings from other financial institutions	**(272)**	–
Others	**–**	(3)
	(345,078)	(327,646)
Net interest and similar income	**1,623,093**	1,149,654

5 Loan facilitation service fees

	Year ended December 31, 2024	2023
	RMB'000	*RMB'000*
Upfront loan facilitation service fees	**1,219,901**	1,489,865
Post loan facilitation service fees	**729,341**	751,093
	1,949,242	2,240,958

6 Other income

	Year ended December 31, 2024	2023
	RMB'000	*RMB'000*
Membership fees, referral fees and other service fees	**226,162**	107,289
Government grants	**67,280**	12,790
Penalty and other charges	**32,722**	24,193
Gains from guarantee	**2,175**	20,922
Others	**29,039**	13,682
	357,378	178,876

7 Expenses by nature

	Year ended December 31, 2024	2023
	RMB'000	*RMB'000*
Loan origination and servicing expenses	**(1,300,539)**	(1,403,513)
Employee benefit expenses	**(448,005)**	(404,777)
Professional service fees	**(87,146)**	(65,512)
Office expenses	**(76,884)**	(79,325)
Depreciation and amortization	**(30,998)**	(25,665)
Depreciation of right-of-use assets	**(30,732)**	(30,585)
Tax and surcharge	**(24,054)**	(24,222)
Branding expenses	**(18,047)**	(16,551)
Audit remuneration		
– Audit service fees	**(5,761)**	(5,764)
– Non-audit service fees	**(495)**	(204)
Others	**(648)**	(3,871)
Total origination and servicing expenses, sales and marketing expenses, general and administrative expenses, and research and development expenses	**(2,023,309)**	(2,059,989)

8 Credit impairment losses

	Year ended December 31, 2024	2023
	RMB'000	*RMB'000*
Cash and cash equivalents	**147**	(17)
Restricted cash	**(1,377)**	(982)
Loans to customers at amortised cost	**(23,631)**	(1,644)
Contract assets	**(89,956)**	(112,625)
Guarantee receivables	**(198,114)**	(226,801)
Other assets	**1,849**	(2,489)
	(311,082)	(344,558)

9 Other gains, net

	Year ended December 31, 2024	2023
	RMB'000	*RMB'000*
Bank interest income	**21,430**	21,712
Gains/(losses) from financial investments at fair value through profit or loss	**14,293**	(827)
Losses from repurchase of notes payable	**–**	(1,283)
Bank charges	**(900)**	(1,348)
Interest expense on lease liabilities	**(2,855)**	(3,697)
Exchange losses	**(11,986)**	(576)
	19,982	13,981

10 Income tax

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**(258,921)**	(315,342)
Deferred income tax	**107,708**	172,259
	(151,213)	(143,083)

11 Earnings per Share/Non-IFRS Adjusted basic earnings per Share

	Year ended December 31,	
	2024	2023
Earnings attributable to owners of the Company *(RMB'000)*	**478,165**	453,906
Non-IFRS Adjusted Net Profit *(RMB'000)*	**478,674**	455,551
Weighted average number of ordinary Shares for calculation of the basic earnings per Share *('000)*	**488,204**	488,051
Weighted average number of ordinary Shares for calculation of the diluted earnings per Share *('000)*	**489,844**	489,960
Basic earnings per Share *(RMB yuan)*	**0.98**	0.93
Diluted earnings per Share *(RMB yuan)*	**0.98**	0.93
Non-IFRS Adjusted basic earnings per Share *(RMB yuan)*	**0.98**	0.93

11.1 Basic earnings per Share is calculated by dividing the profit of the Group attributable to owners of the Company by the weighted average number of Shares in issue during the Year and the Corresponding Year, respectively.

11.2 For the Year, diluted earnings per Share is calculated by adjusting the weighted average number of Shares outstanding by the assumption of the conversion of all potential dilutive Shares arising from share options and share awards granted by the Company (collectively forming the denominator for computing diluted earnings per Share). No adjustment is made to earnings (numerator).

11.3 Non-IFRS Adjusted basic earnings per Share is calculated by dividing the Non-IFRS Adjusted Net Profit by the weighted average number of Shares in issue during the Year and the Corresponding Year, respectively.

12 Cash and bank balances

(a) Cash and cash equivalents

	As at December 31, **2024**	2023
	RMB'000	*RMB'000*
Cash on hand	**2**	33
Cash at bank	**1,680,836**	887,551
Cash held through platform	**12,599**	9,116
Less: ECL allowance	**(19)**	(166)
	1,693,418	896,534

(b) Restricted cash

	As at December 31, **2024**	2023
	RMB'000	*RMB'000*
Deposits to funding partners	**327,629**	332,121
Deposits for borrowings	**309,466**	321,263
Less: ECL allowance	**(2,520)**	(1,143)
	634,575	652,241

13 Loans to customers

	As at December 31, **2024**	2023
	RMB'000	*RMB'000*
Loans to customers at fair value through profit or loss	**6,106,530**	6,504,421
Loans to customers at amortised cost	**140,524**	17,616
	6,247,054	6,522,037

13 Loans to customers *(continued)*

(a) Loans to customers at fair value through profit or loss

As at December 31, 2024 and December 31, 2023, all loans to customers at fair value through profit or loss are unsecured.

Contractual terms of loans to customers at fair value through profit or loss:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year (including 1 year)	**5,937,401**	6,297,615
1 to 2 years (including 2 years)	**169,129**	206,806
	6,106,530	6,504,421

Remaining contractual maturities of loans to customers at fair value through profit or loss:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Overdue	**77,296**	72,495
Within 1 year (including 1 year)	**5,933,181**	6,226,665
1 to 2 years (including 2 years)	**96,053**	205,261
	6,106,530	6,504,421

(b) Loans to customers at amortised cost

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Loans to customers at amortised cost	**160,254**	18,962
Accrued interest	**1,630**	309
	161,884	19,271
Less: ECL allowance	**(21,360)**	(1,655)
	140,524	17,616

As at December 31, 2024 and December 31, 2023, all loans to customers at amortised cost are unsecured.

13 Loans to customers *(continued)*

(b) Loans to customers at amortised cost *(continued)*

Contractual terms of loans to customers at amortised cost is as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year (including 1 year)	**111,519**	9,433
1 to 2 years (including 2 years)	**46,575**	9,838
2 to 5 years (including 5 years)	**3,790**	–
	161,884	19,271

Remaining contractual maturities of loans to customers at amortised cost is as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Overdue	**12,156**	2,145
Within 1 year (including 1 year)	**109,148**	8,531
1 to 2 years (including 2 years)	**37,092**	8,595
2 to 5 years (including 5 years)	**3,488**	–
	161,884	19,271

14 Contract assets

The Group uses the expected-cost-plus-a-margin approach to determine its best estimate of selling prices of the different services as the basis for allocation. The service fee allocated to upfront loan facilitation is recognised as revenue upon execution of loan agreements between investors and borrowers. When the fee allocated to the loan facilitation service is more than the cash received, a "Contract Asset" was recognized as follows:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Contract assets	**488,059**	552,808
Less: ECL allowance	**(76,548)**	(87,400)
	411,511	465,408

15 Guarantee receivables and guarantee liabilities

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Guarantee receivables	**1,292,743**	1,508,416
Less: ECL allowance	**(179,601)**	(191,392)
	1,113,142	1,317,024

A summary of the Group's guarantee receivables movement for the Year and the Corresponding Year is presented below:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Guarantee receivables		
Opening balance	**1,317,024**	787,396
Addition arising from new business	**2,634,144**	3,359,307
ECL	**(198,114)**	(226,801)
Reversal due to early repayment	**(164,700)**	(164,675)
Payment received from borrowers	**(2,475,212)**	(2,438,203)
Ending balance	**1,113,142**	1,317,024

A summary of the Group's guarantee liabilities movement for the Year and the Corresponding Year is presented below:

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Guarantee liabilities		
Opening balance	**1,533,883**	1,140,754
Addition arising from new business	**2,634,144**	3,359,307
Release of the margin	**(189,677)**	(233,509)
ECL	**187,502**	212,587
Reversal due to early repayment	**(164,700)**	(164,675)
Payouts during the year, net	**(3,105,351)**	(2,780,581)
Ending balance	**895,801**	1,533,883

16 Borrowings

Our total borrowings, as recorded in our consolidated statement of financial position, comprise (i) payable to trust plan holders; and (ii) bank borrowings; and (iii) borrowings from other financial institutions. The following table sets forth a breakdown of our borrowings by nature as at the dates indicated.

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Secured		
Bank borrowings	**302,426**	314,901
Borrowings from other financial institutions	**11,146**	–
Unsecured		
Payable to trust plan holders	**4,632,391**	4,999,099
Bank borrowings	**143,219**	157,888
	5,089,182	5,471,888

The following table sets forth the effective interest rates of borrowings:

	As at December 31,	
	2024	2023
Payable to trust plan holders	**3.80%~6.50%**	5.00%~10.50%
Bank borrowings	**4.00%~6.60%**	3.68%~7.45%
Borrowings from other financial institutions	**9.20%~10.03%**	Nil

The following table sets forth the contractual maturities of borrowings:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year (including 1 year)	**3,001,542**	2,339,608
1 to 2 years (including 2 years)	**2,087,640**	3,132,280
	5,089,182	5,471,888

The following table sets forth the repayment schedule of borrowings:

	As at December 31,	
	2024	2023
	RMB'000	*RMB'000*
Within 1 year (including 1 year)	**4,569,702**	5,008,938
1 to 2 years (including 2 years)	**519,480**	462,950
	5,089,182	5,471,888

16 Borrowings *(continued)*

Gearing ratio

As at December 31, 2024, our gearing ratio, calculated as total liabilities divided by total assets, was approximately 60.6%, representing a decrease of 4.5% as compared with 65.1% as at December 31, 2023.

As at December 31, 2024, our consolidated debt to equity ratio, calculated as the sum of borrowings, notes payable, lease liabilities and guarantee liabilities divided by total equity, was approximately 1.3x, as compared with 1.7x as at December 31, 2023.

17 Consolidated structured entities

The Group has consolidated certain structured entities which are primarily trust plans. When assessing whether to consolidate structured entities, the Group reviews all facts and circumstances to determine whether the Group, as the manager, is acting as an agent or a principal. The factors considered include scope of the manager's decision-making authority, rights held by other parties, remuneration to which it is entitled and exposure to variability of returns. For those trust plans where the Group provides financial guarantee, the Group has an obligation to fund the losses, if any, in accordance with the guarantee agreements although the Group does not have any investment in those products. The Group concludes that these structured entities shall be consolidated.

As at December 31, 2024, the trust plans consolidated by the Group amounted to RMB5.08 billion (December 31, 2023: RMB5.49 billion).

Interests held by other interest holders are included in payable to trust plan holders.

18 Dividends

	Year ended December 31,	
	2024	2023
	RMB'000	*RMB'000*
Final dividend for the year ended December 31, 2023 of HK10 cents per Share	**(44,672)**	–
Interim dividend for the year ended December 31, 2023 of HK15 cents per Share	**–**	(67,368)
Final dividend for the year ended December 31, 2022 of HK10 cents per Share	**–**	(44,626)
	(44,672)	(111,994)

The final dividend and interim dividend were paid out of the share premium account of the Company pursuant to Articles 13(h) and 154 of the Articles of Association of the Company and in accordance with the Companies Act (2021 Revision) of the Cayman Islands.

The Board has recommended, subject to approval by Shareholders at the AGM, the payment of a final dividend of HK20 cents per Share for the Year (for the year ended December 31, 2023: HK10 cents per Share).

19 Subsequent events

Since the end of the reporting period, the Board has recommended the payment of the Final Dividend.

20 Foreign exchange exposure

Foreign currency transactions during the Year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates prevailing as at December 31, 2024. Exchange gains and losses are recognized in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was determined.

The results of operations with functional currency other than RMB are translated into RMB at the exchange rates approximating to the foreign exchange rates prevailing at the dates of translation. Consolidated statement of financial position items are translated into RMB at the closing foreign exchange rates prevailing as at December 31, 2024. The resulting exchange differences are recognized in other comprehensive income and accumulated separately in equity in the exchange reserve.

On disposal of an operation with functional currency other than RMB, the cumulative amount of the exchange differences relating to that operation with functional currency other than RMB is reclassified from equity to profit or loss when the profit or loss on disposal is recognized.

21 Opinion

The Board is of the opinion that, after taking into account existing available borrowing facilities and internal resources, the Group has sufficient resources to meet its foreseeable working capital requirements.

DIVIDEND

The Board has recommended, subject to approval by Shareholders at the AGM, the payment of the Final Dividend (being HK20 cents per Share) for the Year (2023: HK10 cents), amounting to approximately HK$97.9 million, to be paid out of the share premium account of the Company. If approved by Shareholders at the AGM, the Final Dividend will be payable on or around Wednesday, July 9, 2025.

No interim dividend was declared for the six months ended June 30, 2024 (for the six months ended June 30, 2023: an interim dividend of HK15 cents per Share).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company (the "**Register of Members**") will not be closed for the purpose of ascertaining the right of Shareholders to attend and vote at the AGM.

To determine the entitlement of the proposed Final Dividend, the Register of Members will be closed from, Friday, June 20, 2025 to Monday, June 23, 2025, both days inclusive, and during which period no transfers of Shares shall be effected. The record date will be Monday, June 23, 2025. To be eligible to receive the Final Dividend, transfers of Shares accompanied by the relevant share certificates must be lodged with the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, June 19, 2025.

DIRECTORS' AND EMPLOYEES' REMUNERATION AND POLICY

Directors' and senior management's remuneration is determined by the remuneration committee and the Board. No director has waived or agreed to waive any emoluments.

As at December 31, 2024, the Group had a total of 870 employees.

The Group seeks to attract, retain and motivate high quality staff to be able to continuously develop its business. Remuneration packages are designed to ensure comparability within the market and competitiveness with other companies engaged in the same or similar industry with which the Group competes and other comparable companies. Emoluments are also based on an individual's knowledge, skill, time commitment, responsibilities and performance and by reference to the Group's overall profits, performance and achievements.

The employees of the Group's subsidiaries which operate in the Chinese mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme.

The Group operates a defined scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees in Hong Kong who are eligible to participate. Contributions are made based on a percentage of the employees' basic salaries. The assets of the scheme are held separately from those of the Group in independently administered funds. The Group's employer contributions vest fully with the employees when contributed into the scheme.

The Company operates a number of share incentive schemes for the purpose of providing share-based incentives and rewards to eligible persons.

CORPORATE GOVERNANCE CODE

The Board is of the view that the Company has, during the Year, applied the principles and complied with the applicable code provisions of the Corporate Governance Code as set out in Part 2 of Appendix C1 to the Listing Rules.

PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

AUDIT COMMITTEE AND REVIEW OF ANNUAL RESULTS

The Company has an audit committee established in compliance with rule 3.21 of the Listing Rules with responsibility for reviewing and providing supervision over the Group's financial reporting process. The audit committee comprises three independent non-executive Directors, Mr. Fang Yuan, Mr. Chen Derek and Mr. Chen Penghui, and a non-executive Director, Mr. Yip Ka Kay.

The audit committee has reviewed the financial statements for the Year with senior management and the external auditor of the Company.

By Order of the Board
VCREDIT Holdings Limited
Ma Ting Hung
Chairman

Hong Kong, March 25, 2025

As at the date of this announcement, the Board comprises Mr. Ma Ting Hung as the chairman and an executive Director; Mr. Liu Sai Wang Stephen, Mr. Liu Sai Keung Thomas and Ms. Xue Lan as executive Directors; Mr. Yip Ka Kay as a non-executive Director; and Mr. Chen Derek, Mr. Chen Penghui and Mr. Fang Yuan as independent non-executive Directors.