51 CREDIT CARD INC.
51信用卡有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2051)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

The board (the "**Board**") of directors (the "**Directors**") of 51 Credit Card Inc. (the "**Company**") announces the audited consolidated results of the Company and its subsidiaries (collectively, the "**Group**" or "**we**") for the year ended 31 December 2024.

FINANCIAL HIGHLIGHTS

	2024 *RMB'000* *(approximate)*	2023 *RMB'000* *(approximate)*	**Year-on-year change Percentage** ***(approximate)***
Revenue	**224,649**	217,158	3.4%
Credit facilitation and service fee	**58,607**	70,227	(16.5%)
Credit card technology service fee	**1,594**	21,977	(92.7%)
SaaS service fee	**75,024**	57,833	29.7%
Valalife business	**16,367**	33,941	(51.8%)
Children's entertainment business	**31,447**	—	N/A
Other revenue	**41,610**	33,180	25.4%
Operating (loss)/profit for the year	**(61,125)**	22,562	N/A
Net loss for the year	**(69,018)**	(3,148)	>100%
Non-IFRS measures			
Non-IFRS adjusted operating (loss)/profit for the year	**(43,052)**	23,090	N/A
Non-IFRS adjusted net (loss)/profit for the year	**(40,775)**	23,379	N/A

Notes:

(1) Non-IFRS adjusted operating (loss)/profit for the year is defined as operating (loss)/profit for the years ended 31 December 2024 and 2023 excluding share-based compensation expenses, fair value (loss)/gain of financial assets at fair value through profit or loss ("**FVPL**"), loss on disposal of property, plant and equipment, net loss for the transfer of subsidiaries and other losses. For details, please refer to the section headed "Non-IFRS measures" below.

(2) Non-IFRS adjusted net loss for the year is defined as net loss for the years ended 31 December 2024 and 2023 excluding share-based compensation expenses, fair value (loss)/gain of financial assets/liabilities at FVPL, loss on disposal of property, plant and equipment, net loss for the transfer of subsidiaries and other losses. For details, please refer to the section headed "Non-IFRS measures" below.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group operates a widely-used credit card management platform, 51 Credit Card Manager App ("**51 Credit Card Manager**"). As at 31 December 2024, the number of registered users of 51 Credit Card Manager was approximately 88.8 million, remaining basically the same as that as at 31 December 2023, and the number of credit cards we had managed cumulatively amounted to approximately 152.4 million, up from approximately 151.9 million as at 31 December 2023. The Group's commercial information searching tool, Little Blue Book App ("**Little Blue Book**"), aims to provide users with valuable commercial information. As at 31 December 2024, Little Blue Book had approximately 6.9 million registered users, remaining basically the same as that as at 31 December 2023. The Group has created a Wechat Mini Program named "Valalife" for the Group's Vala vehicle, an industry-pioneer original factory roof-raised new energy multi-functional vehicle, which aims to provide various ordering and cooperating plans for customers when purchasing Vala vehicles. As at 31 December 2024, the "Valalife" Wechat Mini Program has attracted approximately 37 thousand registered users in aggregate.

As for the credit facilitation business, given the anticipated impact of the increasingly stringent regulatory policies, we controlled the overall scale of the facilitation business, resulting in the decline in the overall scale of the credit facilitation business.

We experienced a significant growth for the To B SaaS business of Little Blue Book, with significant growth in overall revenue as compared to that of last year. The Little Blue Book has always focused on building an all-in-one intelligent sales solution covering lead mining, business opportunity outreach, customer conversion, and management. This year, with the increased application of "AI+SaaS" scenarios, we have been continuously expanding our industry-specific products. Currently, the Little Blue Book has deepened its presence in various industries such as finance, industry and commerce, taxation, intellectual property rights, project application, e-commerce SaaS software, international logistics, and more. We have achieved in-depth implementation of vertical scenarios, effectively helping customers improve marketing efficiency and customer acquisition capabilities in a targeted manner. We actively integrated into various industry ecosystems, achieving lower customer acquisition costs through product binding, customer sharing, ecosystem cooperation, and further enriching our sales channels.

In 2024, affected by market conditions, we made optimization and adjustment on the camping business, and discontinued certain campsites with poor performance. We also actively expanded the vehicle business ("**Vala**") derived from the camping business, and combined the two to establish the Valalife business. The Group adheres to the concept of "redefining the vehicle lifestyle" and is dedicated to transforming cars from solely transportation vehicles into multi-functional mobile spaces. In addition to outdoor camping scenarios, users can also enjoy Vala's multi-functional spaces with comfort, convenience and rich personal characteristics in various scenes such as office negotiations, business meetings, parent-child entertainment, dining and tea drinking, rest and nap, gatherings with friends, movie watching and karaoke, outdoor travel, marketplaces, and more. This initiative opens up endless possibilities for extending urban lifestyles.

Vala has pioneered a brand-new light-asset operation model. In the manufacturing process, we collaborate directly with major automobile manufacturers, achieving integrated production and assembly with the host factory to ensure safety and standardized craftsmanship. In the marketing phase, we utilize replicable content dissemination methods such as short video production to showcase the Vala lifestyle, highlighting comfortable and leisurely living scenarios, thereby saving on brand promotion costs compared to traditional methods. In the distribution aspect, we leverage the characteristics of experiential marketing and have established a co-creation program. After purchasing a Vala vehicle, users have the opportunity to apply to become co-creators, gaining the qualification to promote and sell the vehicles. Co-creators can effectively appeal to potential customer groups by showcasing their first-person experience of using Vala vehicles, avoiding the high channel costs of traditional automobile distribution and achieving a decentralized sales system. Regarding exhibition and sales, we focus on finding suitable locations in cities to showcase Vala lifestyle scenes, operating as mobile stores to circumvent high establishment costs. With its unique spatial design and car lifestyle, Vala has garnered widespread attention and sparked enthusiastic responses on social media platforms. As of 31 December 2024, Vala has amassed approximately 1.14 million followers across social platforms, with cumulative video views of around 210 million, and we have secured a total of 274 vehicle purchase orders.

For the year ended 31 December 2024, our revenue was approximately RMB224.6 million, representing an increase of approximately 3.4% from approximately RMB217.2 million for the year ended 31 December 2023; the Group's operating loss was approximately RMB61.1 million, as compared to the operating profit of approximately

RMB22.6 million for the year ended 31 December 2023; and the Group's net loss increased from approximately RMB3.1 million for the year ended 31 December 2023 to approximately RMB69.0 million for the year ended 31 December 2024.

As for non-IFRS measures, for the year ended 31 December 2024, our non-IFRS adjusted operating (loss)/profit changed from profit of approximately RMB23.1 million for the year ended 31 December 2023 to loss of approximately RMB43.1 million for the year ended 31 December 2024; and our non-IFRS adjusted (loss)/profit changed from profit of approximately RMB23.4 million for the year ended 31 December 2023 to loss of approximately RMB40.8 million for the year ended 31 December 2024. Please refer to the section headed "FINANCIAL REVIEW — Non-IFRS measures" of this announcement for the definitions, explanations of usage and reconciliations of non-IFRS measures.

	2024		2023		**Year-on-year change**
	RMB'000	***RMB'000***	*RMB'000*	*RMB'000*	**Percentage**
	(approximate)	***(approximate)***	*(approximate)*	*(approximate)*	*(approximate)*
Revenue	**224,649**	**100.0%**	**217,158**	**100.0%**	**3.4%**
Credit facilitation and service fee	**58,607**	**26.1%**	**70,227**	**32.3%**	**(16.5%)**
Credit card technology service and referral service fee	**1,594**	**0.7%**	**21,977**	**10.1%**	**(92.7%)**
SaaS service fee	**75,024**	**33.4%**	**57,833**	**26.6%**	**29.7%**
Valalife business	**16,367**	**7.3%**	**33,941**	**15.6%**	**(51.8%)**
Children's entertainment business	**31,447**	**14.0%**	**—**	**—**	**N/A**
Other revenue	**41,610**	**18.5%**	**33,180**	**15.4%**	**25.4%**
Operating (loss)/profit for the year	**(61,125)**		**22,562**		**N/A**
Net loss for the year	**(69,018)**		**(3,148)**		**>100%**
Non-IFRS adjusted operating (loss)/ profit for the year(1)	**(43,052)**		**23,090**		**N/A**
Non-IFRS adjusted (loss)/profit for the year(2)	**(40,775)**		**23,379**		**N/A**

Notes:

(1) Non-IFRS adjusted operating (loss)/profit for the year is defined as operating (loss)/profit for the years ended 31 December 2024 and 2023 excluding share-based compensation expenses, fair value (loss)/gain of financial assets at fair value through profit or loss ("**FVPL**"), loss on disposal of property, plant and equipment, net loss for the transfer of subsidiaries and other losses. For details, please refer to the section headed "Non-IFRS measures" below.

(2) Non-IFRS adjusted net loss for the year is defined as net loss for the years ended 31 December 2024 and 2023 excluding share-based compensation expenses, fair value (loss)/gain of financial assets/liabilities at FVPL, loss on disposal of property, plant and equipment, net loss for the transfer of subsidiaries and other losses. For details, please refer to the section headed "Non-IFRS measures" below.

1. **Credit Facilitation Service**

For the year ended 31 December 2024, the credit facilitation business was one of the Group's major sources of revenue. The Board considered that the credit facilitation business offers credit solutions at competitive price to fill a gap in the People's Republic of China ("**PRC**") lending market by targeting borrowers who have been largely underserved by traditional PRC commercial financial institutions (the "**Target Borrowers**"). The Group, through its online platforms, refers the Target Borrowers who are assessed to have a satisfactory credit level to partnered financial institutions of the funders by providing credit facilitation services and receives service fees upon successful drawdown of loans by Target Borrowers and a guarantee fee upon loan repayment by the Target Borrower. We also provide credit enhancement to partner financial institutions through a licensed financial guarantee company within the Group.

For the year ended 31 December 2024, the total volume of credit facilitation business was approximately RMB1,109.3 million, all being businesses cooperated with financial institutions, representing a decrease of approximately 42.8% from approximately RMB1,938.7 million in the year ended 31 December 2023, mainly because of the adjustment of the Group's business strategies. The Day-1 delinquency rate (defined as the total amount of overdue principal as of a specified date divided by the total principal amount due for repayment as of such date) of the credit facilitation assets facilitated in the year ended 31 December 2024 was lower than 4.5%, and the 30-day collection rate of overdue assets was approximately 78.0%. The average tenure of loans decreased to approximately 8.9 months in the year ended 31 December 2024 from approximately 9.1 months in the year ended 31 December 2023, and the average amount of loans was approximately RMB7,500 in the year ended 31 December 2024, which remained basically the same as that in the year ended 31 December 2023.

2. **SaaS Business**

Our SaaS business mainly consists of the Little Blue Book business and the smart retail business as well as the bank operations management business. Little Blue Book is a commercial information searching tool that generates subscription income from corporate customers and individual users. Our smart retail business serves corporate customers and the Group received a fixed amount of revenue from system development and hardware and software sales as well as service fees based on customer usage such as transaction payment amount, cloud server usage and SMS traffic. The bank operations management business mainly provides full-spectrum back-office operation management services to financial institutions such as banks. Revenue from SaaS business increased by approximately 29.7% to approximately RMB75.0 million for the year ended 31 December 2024 from approximately RMB57.8 million for the year ended 31 December 2023.

3. Valalife Business

The Group paid efforts to bolster the integration of the camping business, being the campsite brand chain "51CAMP", with Vala to become the Valalife business. The revenue of the camping business can be mainly divided into two types: To B and To C. Through exposure to different customer groups, we offer customized commercial services to realize the diversification of revenue source for the camping business. As the upsurge in camping gradually faded after the COVID-19 pandemic subsided, the Group's revenue from camping business showed a downward trend, and the Group adjusted its operation strategies through the gradual optimization and upgrading of the camping business by discontinuing certain campsites with poor performance. Vala mainly obtains sales revenue and leasing income from the sales of Vala vehicles and provision of Vala vehicle leasing business to customers. Overall speaking, revenue from Valalife business decreased by approximately 51.8% from approximately RMB33.9 million for the year ended 31 December 2023 to approximately RMB16.4 million for the year ended 31 December 2024.

4. Children's Entertainment Business

The Group's children's entertainment business established this year adopts a differentiated operation model. Through establishing an unmanned intelligent entertainment area of 20–50 square meters with commercial complex and investment in entertainment facilities, we serve parent-children customer groups aged 2 to 12, and realize unmanned remote and precise operation and maintenance via real-time data monitoring system. Children's entertainment business recorded a revenue of approximately RMB31.4 million for the year ended 31 December 2024.

OUTLOOK

In the face of a challenging market environment, we will seize the development window of new business opportunities, continue to exert efforts, and constantly seek new revenue growth points in various business areas. Specifically:

For the credit facilitation business, while ensuring business compliance, we will continue to seek new collaboration opportunities with institutions and explore new partnership models. By fully utilizing mature risk control models and platform operations, we aim to provide high-quality credit matching services to a broader range of high-quality users.

For the SaaS business, as a provider of intelligent customer acquisition system services, the Little Blue Book will further analyze sales process data and industry demands, aligning product development and iteration with industry commonalities and pain points. We will explore more industries and clients suitable for the Little Blue Book products. We will increase investment in technologies such as big data, artificial intelligence, and cloud computing to enhance the breadth and depth of data and products continually. This will improve the automation and intelligence of business processes, assisting clients in achieving effective development and capacity enhancement in the fields of digital sales and digital marketing.

For the Valalife business, in the future, we will continue to combine with the development of the Vala business to explore new lifestyles suitable for modern urban dwellers. More importantly, we will actively expand the business model of Valalife, anchor on the Vala vehicle, expand car lifestyle components applicable to various vehicle models, and enable more people to experience the lifestyle changes brought by Valalife. Valalife will continue to drive the iterative upgrade of multi-functional mobile spaces, expand the co-creator dissemination system, and empower more users to embark on a new chapter of free lifestyle.

FINANCIAL INFORMATION

The Board announces the audited consolidated results of the Group for the year ended 31 December 2024, together with the comparative figures for the year ended 31 December 2023 as below.

CONSOLIDATED STATEMENT OF COMPREHENSIVE LOSS

		Year ended 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
Credit facilitation and service fee	*2*	**58,607**	70,227
Children's entertainment revenue		**31,447**	—
Credit card technology service fee		**1,594**	21,977
SaaS service fee		**75,024**	57,833
Valalife service fee		**16,367**	33,941
Other revenue	*3*	**41,610**	33,180
Total revenue		**224,649**	217,158
Origination and servicing expenses	*4*	**(209,138)**	(204,310)
General and administrative expenses	*4*	**(56,287)**	(52,918)
Research and development expenses	*4*	**(41,196)**	(18,319)
Sales and marketing expenses	*4*	**(51,465)**	(27,355)
Expected credit loss, net	*5*	**(41,442)**	(23,184)
Other gain, net	*6*	**113,754**	131,490
Total operating expenses		**(285,774)**	(194,596)
Operating (loss)/profit		**(61,125)**	22,562
Share of net loss of associates accounted for using equity method		**(298)**	(13,240)
Fair value loss of financial liabilities at fair value through profit or loss		**(10,170)**	(25,999)
Finance income, net		**2,453**	3,320
Loss before income tax		**(69,140)**	(13,357)
Income tax credit	*7*	**122**	10,209
Loss for the year		**(69,018)**	(3,148)

	Notes	Year ended 31 December **2024** ***RMB'000***	 2023 *RMB'000*
(Loss)/profit for the year attributable to:			
— Owners of the Company		**(60,156)**	11,037
— Non-controlling interests		**(8,862)**	(14,185)
		(69,018)	(3,148)
Other comprehensive income/(loss)			
Items that may not be reclassified to profit or loss			
Change in fair value attributable to change in the credit risk of other financial liability designated at fair value through profit or loss		**643**	2,250
Currency translation differences		**2,989**	(1,863)
Total comprehensive loss for the year, net of tax		**(65,386)**	(2,761)
Total comprehensive income/(loss) attributable to:			
— Owners of the Company		**(56,613)**	12,154
— Non-controlling interests		**(8,773)**	(14,915)
		(65,386)	(2,761)
(Loss)/earning per share attributable to owners of the Company — basic and diluted *(expressed in RMB per share)*:			
(Loss)/earning for the year — basic	*8*	**(0.05)**	0.01
(Loss)/earning for the year — diluted	*8*	**(0.05)**	0.01

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at 31 December	
		2024	2023
	Notes	***RMB'000***	*RMB'000*
NON-CURRENT ASSETS			
Property and equipment, net		**154,262**	108,096
Right-of-use assets		**9,682**	34,238
Intangible assets	*9*	**36,320**	38,396
Investments accounted for using equity method		**16,018**	16,016
Financial assets at fair value through profit or loss		**68,256**	70,448
Deferred income tax assets		**15,276**	15,171
Prepayments and other receivables	*10*	**641**	632
Total non-current assets		**300,455**	282,997
CURRENT ASSETS			
Inventory		**4,360**	3,027
Quality assurance fund receivable	*11*	**9,772**	21,060
Contract assets	*12*	**24,465**	32,622
Trade receivables	*13*	**51,383**	41,173
Prepayments and other receivables	*10*	**122,051**	118,736
Loans to customers, net		**193,772**	193,933
Financial assets at fair value through profit or loss		**—**	249
Restricted cash		**89,167**	121,679
Cash and cash equivalents		**280,326**	349,490
Total current assets		**775,296**	881,969
Total assets		**1,075,751**	1,164,966
EQUITY AND LIABILITIES			
Share capital		**110**	90
Reserves		**802,587**	725,610
Equity attributable to owners of the Company		**802,697**	725,700
Non-controlling interests		**(23,175)**	(16,130)
Total equity		**779,522**	709,570

	Notes	As at 31 December **2024** ***RMB'000***	2023 *RMB'000*
LIABILITIES			
NON-CURRENT LIABILITIES			
Bank and other borrowings		—	59,684
Lease liabilities		**7,189**	27,514
Total non-current liabilities		**7,189**	87,198
CURRENT LIABILITIES			
Quality assurance fund payable	*11*	**23,359**	37,043
Payable to platform customers		**48,755**	54,625
Contract liabilities	*12*	**25,609**	18,767
Bank and other borrowings		**59,820**	100,804
Lease liabilities		**2,034**	4,347
Trade and other payables	*14*	**43,456**	76,132
Financial liabilities at fair value through profit or loss		**86,007**	76,480
Total current liabilities		**289,040**	368,198
Total liabilities		**296,229**	455,396
Total equity and liabilities		**1,075,751**	1,164,966

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

NOTES

1. MATERIAL ACCOUNTING POLICY INFORMATION

1.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with all applicable IFRS Accounting Standards and the applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

IFRS Accounting Standards comprise International Financial Reporting Standards ("**IFRS**"), International Accounting Standards ("**IAS**"), and Interpretations. The consolidated financial statements of the Group have been prepared under the historical cost convention, as modified by the revaluation of financial instruments at fair value through profit or loss.

The preparation of consolidated financial statements of the Group in conformity with IFRS Accounting Standards requires the use of certain key assumption and estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving critical judgement and areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3 of Annual Report.

1.2 Adoption of new and revised IFRS Accounting Standards

In the current year, the Group has adopted all the new and revised IFRS Accounting Standards that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group's accounting policies, presentation of the Group's consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new IFRS Accounting Standards that have been issued but are not yet effective. The application of these new IFRS Accounting Standards is not expected to have material impact on the consolidated financial statements of the Group.

2 CREDIT FACILITATION AND SERVICE FEE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Upfront credit facilitation service fee	**26,217**	35,091
Post credit facilitation service fee	**32,390**	35,136
	58,607	70,227

Note: The unsatisfied performance obligation as at 31 December 2024 was approximately RMB16,894,013 (2023: RMB23,761,553). Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at 31 December 2024 and 2023 will be recognized as revenue within the next twelve months.

3 OTHER REVENUE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Overdue charges	**5,932**	6,874
Referral service fee	**23,149**	12,013
Others	**12,529**	14,293
	41,610	33,180

4 EXPENSES BY NATURE

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Employee benefit expenses	**117,156**	137,707
External technical service fees	**97,621**	79,942
Fund transfer charges	**701**	4,062
Marketing and advertising fees	**25,587**	9,087
Depreciation and amortization	**35,018**	18,623
Professional service fees	**10,890**	10,586
Office expenses	**12,299**	9,910
Auditor's remuneration	**2,300**	2,300
Camping operating fee	**7,086**	11,555
Vehicle business research and development cost	**19,949**	—
Short-term lease expenses	**15,681**	5,558
Others	**13,798**	13,572
Total amount of origination and servicing expenses, general and administrative expenses, research and development expenses and sales and marketing expenses	**358,086**	302,902

5 EXPECTED CREDIT LOSS, NET

The composition of ECL provided for the years ended 31 December 2024 and 2023 is as follows:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade receivables *(Note 13)*	**1,128**	2,512
Prepayments and other receivables	**1,475**	4,278
Contract assets *(Note 12)*	**4,967**	5,540
Loans to customers, net	**(362)**	(430)
Quality assurance fund *(Note 11)*	**34,234**	11,284
	41,442	23,184

6 OTHER GAIN, NET

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Fair value (loss)/gain on financial assets at FVPL	**(4,192)**	1,157
Government grants (a)	**337**	994
Loss on disposal of Property, plant and equipment	**(3,709)**	(576)
Others (b)	**121,318**	129,915
	113,754	131,490

(a) Government grants represented various subsidies granted by the government authorities which are not assets related.

(b) The satisfactory recovery of overdue assets in the credit facilitation business of approximately RMB125 million for the year ended 31 December 2024 (2023: RMB124 million).

7 INCOME TAX CREDIT

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Current income tax	**(17)**	(424)
Deferred income tax	**(105)**	(9,785)
	(122)	(10,209)

The Group's main applicable taxes and tax rates are as follows:

Cayman Islands

The Company was incorporated in the Cayman Islands. Under the current tax laws of the Cayman Islands, the Company is not subject to tax on income or capital gains. In addition, no withholding tax will be imposed on dividends distributed by the Company to its shareholders.

BVI

The Group's entities incorporated in BVI are not subject to tax on income or capital gains.

HK

The Group's entities incorporated in HK are subject to profits tax rate of 16.5%

The PRC

Under the Law of the PRC on Enterprise Income Tax (the "**EIT Law**"), the enterprises incorporated in mainland China are generally subject to a uniform enterprise income tax rate of 25%, except for entities qualified as "Software Enterprise", "High and New Technology Enterprise" ("**HNTE**") or "Small Low-profit Enterprise" for which preferential tax treatments are granted under EIT Law.

Hangzhou Zhenniu renewed its HNTEs qualification in 2022. They were entitled to a preferential income tax rate of 15% for three years. The HNTE qualification is subject to renewal every three years.

All other subsidiaries of the Company established in mainland China were subject to enterprise income tax rate of 25%.

Withholding Tax on Undistributed Profits

According to the EIT Law, distribution of profits earned by the companies in the PRC 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.

The Group does not have any plan to require its subsidiaries in the PRC to distribute their retained earnings and intends to retain them to operate and expand its business within the PRC. Accordingly, no deferred income tax liability on withholding tax for the undistributed profits of the subsidiaries in the PRC has been accrued.

8 (LOSS)/EARNING PER SHARE

(a) Basic (loss)/earning per share is calculated by dividing the (loss)/profit of the Group for the year 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
(Loss)/profit attributable to owners of the Company (RMB'000)	**(60,156)**	11,037
Weighted average number of ordinary shares in issue ('000)	**1,271,269**	1,220,717
Basic (loss)/earnings per share (expressed in RMB)	**(0.05)**	0.01

(b) Diluted (loss)/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, the potential ordinary shares were not included in the calculation of dilutive loss per share, as their inclusion would be anti-dilutive. Accordingly, diluted loss per share for the year ended 31 December 2024 is the same as basic loss per share. (2023: Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding by the assumption of the conversion of all potential dilutive ordinary shares arising from share options and restricted share units ("**RSUs**") granted by the Company.)

	Year ended 31 December	
	2024	2023
(Loss)/profit attributable to owners of the Company (RMB'000)	**(60,156)**	11,037
Weighted average number of ordinary shares in issue ('000)	**1,271,269**	1,220,717
Adjustments for share options and RSUs granted to employees ('000)	**—**	132
Weighted average number of ordinary shares for calculation of diluted profit per share ('000)	**1,271,269**	1,220,849
Diluted (loss)/earning per share (expressed in RMB)	**(0.05)**	0.01

9 INTANGIBLE ASSETS

	Goodwill *RMB'000* *(Note (a))*	Software *RMB'000*	Platform *RMB'000*	Applications *RMB'000*	Trademark *RMB'000*	Camping *RMB'000*	Total *RMB'000*
Cost							
At 1 January 2024	**482,377**	**26,327**	**9,810**	**3,260**	**5,272**	**4,670**	**531,716**
Additions from purchase	—	—	—	—	**15**	—	**15**
Disposal	—	**(500)**	—	—	—	**(984)**	**(1,484)**
Written off	—	**(4,106)**	**(9,810)**	**(3,260)**	—	**(160)**	**(17,336)**
At 31 December 2024	**482,377**	**21,721**	—	—	**5,287**	**3,526**	**512,911**
Accumulated amortization							
At 1 January 2024	—	**(26,080)**	**(9,810)**	**(1,277)**	**(3,432)**	**(2,108)**	**(42,707)**
Amortization charge for the year *(Note (b))*	—	**(91)**	—	—	**(588)**	**(585)**	**(1,264)**
Disposal	—	**500**	—	—	—	**157**	**657**
Written off	—	**4,106**	**9,810**	**1,277**	—	**160**	**15,353**
At 31 December 2024	—	**(21,565)**	—	—	**(4,020)**	**(2,376)**	**(27,961)**
Impairment losses							
At 1 January 2024	**(448,630)**	—	—	**(1,983)**	—	—	**(450,613)**
Written off	—	—	—	**1,983**	—	—	**1,983**
At 31 December 2024	**(448,630)**	—	—	—	—	—	**(448,630)**
Net book value							
At 31 December 2024	**33,747**	**156**	—	—	**1,267**	**1,150**	**36,320**

	Goodwill *RMB'000* *(Note (a))*	Software *RMB'000*	Platform *RMB'000*	Applications *RMB'000*	Trademark *RMB'000*	Camping *RMB'000*	Total *RMB'000*
Cost							
At 1 January 2023 and 31 December 2023	482,377	26,327	9,810	3,260	5,272	4,670	531,716
Accumulated amortization							
At 1 January 2023	—	(25,935)	(9,810)	(1,277)	(2,847)	(517)	(40,386)
Amortization charge for the year *(Note (b))*	—	(145)	—	—	(585)	(1,591)	(2,321)
At 31 December 2023	—	(26,080)	(9,810)	(1,277)	(3,432)	(2,108)	(42,707)
Impairment losses							
At 1 January 2023 and 31 December 2023	(448,630)	—	—	(1,983)	—	—	(450,613)
Net book value							
At 31 December 2023	33,747	247	—	—	1,840	2,562	38,396

(a) Impairment tests for goodwill

As at 31 December 2024 and 2023, goodwill of approximately RMB33,747,000 was recognized as the results of the acquisition of China Netcom in 2017 by the Group. Goodwill is monitored at the operating segment level by the management. The management assessed China Netcom as one separate operating segment ("**Netcom Unit**").

Impairment review on the goodwill of the Group has been conducted by the management as at 31 December 2024 according to IAS 36 "Impairment of assets". For the purpose of impairment review, the recoverable amount of Netcom Unit containing goodwill is determined based on the higher amount of the fair value less cost of disposal ("**FVLCD**") and value in use calculations.

As at 31 December 2024, the recoverable amount of Netcom Unit containing goodwill was determined based on FVLCD, which was estimated by management with reference to the quoted market price of China Netcom's listed shares on GEM of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). Management considered the recoverable amount of Netcom Unit containing goodwill was higher than its carrying amount as at 31 December 2024.

Based on the assessment, no impairment on Netcom Unit containing goodwill was required for the year ended 31 December 2024 (2023: Nil).

(b) Amortization of intangible assets

Amortization charges of intangible assets were recorded in the following categories in the consolidated statement of comprehensive loss:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Origination and servicing expenses	**738**	1,565
General and administrative expenses	**381**	616
Research and development expenses	**145**	140
	1,264	2,321

10 PREPAYMENTS AND OTHER RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Included in non-current assets:		
Rental deposits	**641**	632
Included in current assets:		
Amounts due from related parties	**11,984**	12,023
Deposits and prepaid expenses	**46,587**	27,306
Receivable from disposal of bad debts	**5,441**	9,959
Loan to a Director	**148**	11,059
Loan to third party *(note)*	**32,479**	19,119
Withholding tax paid on behalf of grantees under employee incentive schemes	**6,292**	6,292
Others	**19,120**	32,978
	122,051	118,736
Total	**122,692**	119,368

Note: The loan is repayable on demand and the amounts are at an annual rate of 8% to 10%.

11 QUALITY ASSURANCE FUND PAYABLE AND RECEIVABLE

The following table sets forth the Group's quality assurance fund payable movements for the years ended 31 December 2024 and 2023:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Opening balance	**37,043**	21,713
Fair value of newly written quality assurance obligation	**50,921**	81,095
ECL reversed for the year *(Note 5)*	**33,142**	9,473
Payouts during the year, net	**(97,747)**	(75,238)
Ending balance	**23,359**	37,043

The following table sets forth the Group's quality assurance fund receivable movements for the years ended 31 December 2024 and 2023:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Opening balance	**21,060**	16,443
Fair value of newly written quality assurance obligation	**50,921**	81,095
ECL provided for the year *(Note 5)*	**(1,092)**	(1,811)
Contribution received from borrowers	**(61,117)**	(74,667)
Ending balance	**9,772**	21,060

	As at 31 December 2024			
	ECL Staging			
	Stage 1	**Stage 2**	**Stage 3**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Quality assurance fund receivable	**10,831**	**859**	**36,983**	**48,673**
Less: ECL allowance under IFRS 9 (a)	**(2,620)**	**(646)**	**(35,635)**	**(38,901)**
Quality assurance fund receivable, net	**8,211**	**213**	**1,348**	**9,772**

	As at 31 December 2023			
	ECL Staging			
	Stage 1	Stage 2	Stage 3	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Quality assurance fund receivable	22,251	1,365	35,253	58,869
Less: ECL allowance under IFRS 9 (a)	(2,899)	(749)	(34,161)	(37,809)
Quality assurance fund receivable, net	19,352	616	1,092	21,060

(a) The following tables explain the changes in the ECL allowance of quality assurance fund receivable by stage for the years ended 31 December 2024 and 2023:

	Year ended 31 December 2024			
	Stage 1 12-month ECL	**Stage 2 Lifetime ECL**	**Stage 3 Lifetime ECL**	**Total**
	RMB'000	***RMB'000***	***RMB'000***	***RMB'000***
Opening balance	**2,899**	**749**	**34,161**	**37,809**
Net (decrease)/increase for the period (i)	**(213)**	**(19)**	**1,324**	**1,092**
Transfer				
Transfer from Stage 1 to Stage 2	**(1)**	**1**	**—**	**—**
Transfer from Stage 1 to Stage 3	**(65)**	**—**	**65**	**—**
Transfer from Stage 2 to Stage 3	**—**	**(85)**	**85**	**—**
Ending balance	**2,620**	**646**	**35,635**	**38,901**

	Year ended 31 December 2023			
	Stage 1 12-month ECL	Stage 2 Lifetime ECL	Stage 3 Lifetime ECL	Total
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
Opening balance	2,598	632	32,768	35,998
Net increase for the period (i)	324	138	1,349	1,811
Transfer				
Transfer from Stage 1 to Stage 2	(1)	1	—	—
Transfer from Stage 1 to Stage 3	(22)	—	22	—
Transfer from Stage 2 to Stage 3	—	(22)	22	—
Ending balance	2,899	749	34,161	37,809

(i) This item includes changes of PD, EAD and LGD due to routine updates to model parameters, and the impact of stage changes on the measurement of ECL.

12 CONTRACT ASSETS/(LIABILITIES)

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Contract assets	**638,308**	641,498
Less: ECL allowance	**(613,843)**	(608,876)
Contract assets, net	**24,465**	32,622
Contract liabilities	**(25,609)**	(18,767)

The activity in the total ECL allowance for the years ended 31 December 2024 and 2023 consisted of the following:

	Year ended 31 December	
	2024	2023
	RMB'000	*RMB'000*
Opening balance	**(608,876)**	(603,336)
Provision of ECL for the year *(Note 5)*	**(4,967)**	(5,540)
Ending balance	**(613,843)**	(608,876)

Note: The Group receives payments from borrowers over the tenures of the loans. Contract asset represents the Group's right to consideration in exchange for services that the Group has provided. A substantial majority of the Group's contract assets as at 31 December 2024 would be realized within the next twelve months as the weighted average term of the arrangements where the Group is not the loan originator was less than twelve months. The Group determined that there is no significant financing component for its arrangements where the Group is not the loan originator.

13 TRADE RECEIVABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Referral and credit card technology service receivables	**258,761**	243,141
Saas service receivables	**9,512**	13,173
Others	**890**	1,511
	269,163	257,825
ECL allowance	**(217,780)**	(216,652)
	51,383	41,173

The activity in the total ECL allowance for trade receivables as at 31 December 2024 and 2023 consisted of the following:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Opening balance	**(216,652)**	(214,140)
Provision of ECL for the year *(Note 5)*	**(1,128)**	(2,512)
Ending balance	**(217,780)**	(216,652)

Aging analysis of trade receivables based on invoice date is as follows:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**12,139**	27,964
More than 30 days	**257,024**	229,861
	269,163	257,825

14 TRADE AND OTHER PAYABLES

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Trade payables (a)	**15,480**	18,175
Payroll and welfare payable	**15,624**	18,043
Interest payable	**—**	18,110
Professional service expenses	**1,617**	6,232
Others	**10,735**	15,572
	43,456	76,132

(a) Trade payables mainly represent payables of fund transfer charges and collection service charges.

The aging analysis of trade payables based on invoice date is as below:

	As at 31 December	
	2024	2023
	RMB'000	*RMB'000*
Within 30 days	**10,974**	15,001
30 to 90 days	**2,662**	1,347
90 to 180 days	**1,004**	280
180 to 360 days	**621**	1,494
over 360 days	**219**	53
	15,480	18,175

15 DIVIDEND

No dividend has been paid or declared by the Company for the year ended 31 December 2024 (2023: Nil).

16 CONTINGENT LIABILITIES

A subsidiary of the Company, Hangzhou Enniu Network Technology Co Ltd., has been collaborating with Bank of Wenzhou Co., Ltd. on the co-branding credit card business since 2017 and all co-branding credit cards have expired in August 2023. Currently, there is a dispute between the two parties regarding the settlement and distribution of funds related to this business, and it cannot be ruled out that litigation may potentially arise in the future. The dispute is still in the stage of communication and mediation as of 31 December 2024. As of 31 December 2024, since the Group cannot reasonably predict the outcome of the mediation, no provision has been made for this matter. The Group estimates that the amount involved, for which no provision has been made, is approximately RMB42 million.

17 EVENT AFTER REPORTING PERIOD

Reference is made to the announcement of the Company dated 24 January 2025 in relation to (a) the sale of 1,358,954,030 shares ("**China Netcom Shares**") of China Netcom Technology Holdings Limited ("**China Netcom**"), a subsidiary of the Company, by 51RENPIN.COM INC. ("**51RENPIN**") and the Company to Qichen High-Tech Management Consulting Ltd. and Shandong Qichen Zhongke Investment Holding Co.,Ltd.* (山東啟辰中科投資控股有限公司) (collectively, the "**Purchasers**") and (b) the placing (the "**China Netcom Placing**") of 476,009,183 China Netcom Shares held by 51RENPIN (the "**China Netcom Placing Shares**"). Pursuant to a sale and purchase agreement dated 24 January 2025 entered into among 51RENPIN, the Company and the Purchasers, 51RENPIN and the Company conditionally agreed to sell, and the Purchasers conditionally agreed to acquire, 1,358,954,030 China Netcom Shares (representing approximately 29.00% of the total issued share capital of China Netcom as at 24 January 2025) at a total consideration of HK$21,750,000 (the "**China Netcom S&P**").

Furthermore, pursuant to a placing agreement entered into between 51RENPIN and Lego Securities Limited (the "**Placing Agent**") dated 24 January 2025, 51RENPIN agreed to place through the Placing Agent up to a maximum of 476,009,183 China Netcom Shares (representing approximately 10.16% of the total issued share capital of China Netcom as at 24 January 2025) on a best effort basis at HK$0.014 per China Netcom Placing Share to placees who shall be individual, professional or institutional investors.

Upon completion of the China Netcom S&P and the China Netcom Placing, assuming that all 476,009,183 China Netcom Placing Shares have been successfully placed by the Placing Agent, the Company will no longer, directly or indirectly, hold any interest in China Netcom. As at the date of this announcement, completion of the China Netcom S&P and the China Netcom Placing have yet to take place.

FINANCIAL REVIEW

Revenue

Our total revenue increased by approximately 3.4% from approximately RMB217.2 million for the year ended 31 December 2023 to approximately RMB224.6 million for the year ended 31 December 2024.

Credit facilitation and service fee decreased by approximately 16.5% from approximately RMB70.2 million for the year ended 31 December 2023 to approximately RMB58.6 million for the year ended 31 December 2024. We generally collect credit facilitation service fees from Target Borrowers according to the pre-confirmed fee schedules, and recognize in the consolidated financial statements the upfront credit facilitation service fee at the inception of the loan and the post credit facilitation service fee over the loan during the year. The decrease in credit facilitation and service fee was mainly attributable to the decrease in credit facilitation business volume in the year ended 31 December 2024 mainly due to our own business strategies adjustments.

Credit card technology service fee decreased by approximately 92.7% from approximately RMB22.0 million for the year ended 31 December 2023 to approximately RMB1.6 million for the year ended 31 December 2024. Credit card technology service mainly focused on the business of issuing co-branded cards under the cooperation with financial institutions. After evaluating the market situations, we continued to reduce the investment in the co-branded card business, which led to a decrease in credit card technology service fee.

SaaS service fee increased by approximately 29.7% from approximately RMB57.8 million for the year ended 31 December 2023 to approximately RMB75.0 million for the year ended 31 December 2024, mainly due to the subscription income of Little Blue Book having increased by 55.8% from approximately RMB23.3 million for the year ended 31 December 2023 to approximately RMB36.3 million for the year ended 31 December 2024.

Valalife service fee decreased by approximately 51.8% from approximately RMB33.9 million for the year ended 31 December 2023 to approximately RMB16.4 million for the year ended 31 December 2024, mainly due to the fact that with the downward trend in the public's interest in camping in post-pandemic era, the Group proactively made business strategy adjustments by discontinuing certain campsites with poor performance and decreased its investment in the camping business.

Revenue from children's entertainment business amounted to approximately RMB31.4 million for the year ended 31 December 2024, having realized stable operation since its establishment this year.

Other revenue increased by approximately 25.4% from approximately RMB33.2 million for the year ended 31 December 2023 to approximately RMB41.6 million for the year ended 31 December 2024, mainly because the Group's referral service income arising from referring loans to third-party business partners for the year increased by approximately 92.7% from approximately RMB12.0 million for the year ended 31 December 2023 to approximately RMB23.1 million for the year ended 31 December 2024.

Operating expenses

Total operating expenses increased by approximately 46.9% from approximately RMB194.6 million for the year ended 31 December 2023 to approximately RMB285.8 million for the year ended 31 December 2024.

Origination and servicing expenses increased by approximately 2.4% from approximately RMB204.3 million for the year ended 31 December 2023 to approximately RMB209.1 million for the year ended 31 December 2024, which was mainly because: (i) the increase in smart retail business resulted in the increase in external technology service fee by 59.8% from RMB24.6 million for the year ended 31 December 2023 to RMB39.3 million for the year ended 31 December 2024; and (ii) total depreciation, amortization and leasing costs arising from the new businesses increased by approximately 133.0% from approximately RMB10.0 million for the year ended 31 December 2023 to approximately RMB23.3 million for the year ended 31 December 2024, but which was partially offset by the decrease in operation personnel upon business strategy adjustment, such that employee remuneration and welfare expenses decreased by approximately 24.8% from approximately RMB83.9 million for the year ended 31 December 2023 to approximately RMB63.1 million for the year ended 31 December 2024.

General and administrative expenses increased by approximately 6.4% from approximately RMB52.9 million for the year ended 31 December 2023 to approximately RMB56.3 million for the year ended 31 December 2024. This was mainly due to the increase of 32.0% in total depreciation and amortization and leasing costs incurred by the new businesses from approximately RMB12.2 million for the year ended 31 December 2023 to approximately RMB16.1 million.

Research and development expenses increased by approximately 124.9% from approximately RMB18.3 million for the year ended 31 December 2023 to approximately RMB41.2 million for the year ended 31 December 2024, mainly due to the increase in research and development expenses related to Vala this year as a result of business development strategy changes, which increased from nil for the year ended 31 December 2023 to approximately RMB19.9 million for the year ended 31 December 2024.

Sales and marketing expenses increased by approximately 88.1% from approximately RMB27.4 million for the year ended 31 December 2023 to approximately RMB51.5 million for the year ended 31 December 2024, which was mainly due to the increase of 184.4% in marketing and promotion expenses related to Vala from approximately RMB9.0 million for the year ended 31 December 2023 to approximately RMB25.6 million for the year ended 31 December 2024.

Expected credit loss, net increased by approximately 78.8% from RMB23.2 million for the year ended 31 December 2023 to approximately RMB41.4 million for the year ended 31 December 2024 mainly because of the expected credit loss related to quality assurance fund and contract assets, which increased by approximately 133.3% from approximately RMB16.8 million for the year ended 31 December 2023 to approximately RMB39.2 million for the year ended 31 December 2024. This was mainly affected by the decrease in the refund from the credit facilitation business, but the expected credit loss related to receivables was partially offset by the decrease in expected credit loss related to receivables under the credit card technology service, which decreased by approximately 61.8% from approximately RMB6.8 million for the year ended 31 December 2023 to approximately RMB2.6 million for the year ended 31 December 2024, mainly due to the reduction of scale in credit card technology business. In this segment, the management has closely monitored all outstanding overdue assets and regularly reviewed the recoverability of various loans receivables.

Other gains, net decreased by approximately 13.5% from approximately RMB131.5 million for the year ended 31 December 2023 to approximately RMB113.8 million for the year ended 31 December 2024, mainly due to the fact that (i) the fair value (loss)/gain on financial assets at FVPL turned to a loss of approximately RMB4.2 million for the year ended 31 December 2024 from a gain of approximately RMB1.2 million for the year ended 31 December 2023 due to the poorer-than-expected operating results of several investees, resulting in a lower market value as at 31 December 2024 as compared to that of 31 December 2023; (ii) regulatory fines in Mainland China of approximately RMB5.6 million were incurred for the year ended 31 December 2024, while no such expenses were incurred in 2023; and (iii) loss arising from the disposal of property, plant and equipment increased from approximately RMB0.6 million for the year ended 31 December 2023 to approximately RMB3.7 million for the year ended 31 December 2024.

Share of net loss of associates accounted for using equity method

Share of net loss of associates accounted for using equity method decreased by approximately 97.7% from approximately RMB13.2 million for the year ended 31 December 2023 to approximately RMB0.3 million for the year ended 31 December 2024, mainly because of the loss arising from operating results of associates.

Fair value loss of financial liabilities at FVPL

Fair value loss of financial liabilities at FVPL decreased by approximately 60.8% from approximately RMB26.0 million for the year ended 31 December 2023 to approximately RMB10.2 million for the year ended 31 December 2024, mainly due to the stable growth of operating results of Little Blue Book during the year ended 31 December 2024, resulting in the increase in appraisal value of such liabilities as compared to that of last year.

Finance income, net

Finance income, net decreased by approximately 26.1% from approximately RMB3.3 million for the year ended 31 December 2023 to approximately RMB2.5 million for the year ended 31 December 2024, mainly due to the decrease in interest income as a result of the overall decrease in the Group's capital.

Income tax credit

Income tax credit decreased by approximately 99.0% from approximately RMB10.2 million for the year ended 31 December 2023 to approximately RMB0.1 million for the year ended 31 December 2024, mainly due to the increase in deferred income tax assets during the year.

Loss for the year

As a result of the foregoing, our loss for the year increased by approximately 2,092.4% from approximately RMB3.1 million for the year ended 31 December 2023 to approximately RMB69.0 million for the year ended 31 December 2024, mainly due to: (i) under the impact of the new businesses, an increase of 110.4% in total depreciation, amortization and leasing costs for the year from approximately RMB24.1 million for the year ended 31 December 2023 to approximately RMB50.7 million for the year ended 31 December 2024; (ii) an increase in direct research and development expenses incurred by Vala during the year from nil for the year ended 31 December 2023 to approximately RMB19.9 million for the year ended 31 December 2024; (iii) the downsizing of the credit facilitation business, which resulted in the decline of net profit from that business in general by 39.7% from approximately RMB58.4 million for the year ended 31 December 2023 to approximately RMB35.2 million for the year ended 31 December 2024.

Non-IFRS measures

To supplement our consolidated financial statements that have been prepared in accordance with IFRSs, we also use adjusted operating profit and adjusted net profit as additional financial indicators, which are not presented in accordance with IFRSs. We believe that adjusted operating profit and adjusted net profit facilitate comparisons of operating performance from year to year by eliminating potential impacts of items which the management considers non-indicative of our operating performance, and provide useful information to investors and others in understanding and evaluating our consolidated results of operations. The use of adjusted operating profit and adjusted net profit has limitations as an analytical tool, and such measures should not be considered as an isolation from, or as a substitute for an analysis of, our results of operations or financial conditions as prepared under IFRSs. As non-IFRS measures do not have a standardised meaning prescribed by IFRSs, such non-IFRS measures may be defined differently from similar terms presented by other companies, and may not be comparable to other similarly titled measures presented by other companies.

When measuring adjusted operating profit and adjusted net profit for the year, we excluded share-based compensation expenses, fair value loss/(gain) of financial assets/liabilities at FVPL, loss on disposal of property, plant and equipment, net loss for the transfer of subsidiaries and other losses, respectively. We excluded these items because they were either non-operating in nature or not indicative of our core operating results and business outlook, or did not generate any cash outflows: (i) share-based compensation expenses were excluded because they were non-cash in nature and did not result in cash outflow. In particular, as the types of incentive available and valuation methodologies used may vary in different companies, we believed that excluding such item provides investors and others with greater visibility to the underlying performance of our business operations; (ii) fair value loss/(gain) of financial assets/liabilities at FVPL were non-cash in nature and did not result in cash outflows. We believe that this item was not reflective of our ongoing operating results and there was no direct correlation to the operation of our business; (iii) loss on disposal of property, plant and equipment was non-cash in nature and did not result in cash outflows; (iv) net loss for the transfer of subsidiaries was non-cash item and was not directly related to our business operation; and (v) other losses mainly included regulatory penalty fines in Mainland China, which were non-operating and incidental in nature.

The following tables reconcile the non-IFRS adjusted operating (loss)/profit for the year and the adjusted net (loss)/profit for the year presented to the most directly comparable financial measures calculated and presented in accordance with IFRSs, which are operating loss/(gain) for the year and net loss for the year:

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Non-IFRS unadjusted operating (loss)/profit		
Operating (loss)/profit	**(61,125)**	22,562
Adjusted for:		
Share-based compensation expenses	**3,071**	1,109
Fair value loss/(gain) of financial assets at FVPL	**4,192**	(1,157)
Loss on disposal of property, plant and equipment	**3,709**	576
Loss for the transfer of subsidiaries	**1,483**	—
Other(i)	**5,618**	—
Non-IFRS adjusted net (loss)/profit	**(43,052)**	23,090

	As at 31 December 2024 *RMB'000*	As at 31 December 2023 *RMB'000*
Non-IFRS unadjusted net (loss)/profit		
Net loss	**(69,018)**	(3,148)
Adjusted for:		
Share-based compensation expenses	**3,071**	1,109
Fair value loss of financial liabilities at FVPL	**10,170**	25,999
Fair value loss/(gain) of financial assets at FVPL	**4,192**	(1,157)
Loss on disposal of property, plant and equipment	**3,709**	576
Loss for the transfer of subsidiaries	**1,483**	—
Other(i)	**5,618**	—
Non-IFRS adjusted net (loss)/profit	**(40,775)**	23,379

Note: (i) mainly comprising regulatory penalty fees in the PRC.

Liquidity, Financial Resources and Gearing Ratio

The Group maintained a net cash position throughout the year. Our net cash positions as at 31 December 2024 and 31 December 2023 are as follows:

	As at 31 December 2024	As at 31 December 2023
	RMB' million	*RMB' million*
Cash and cash equivalents	**280**	349
Borrowings	**(60)**	(160)
Net cash	**220**	189

Cash and cash equivalents include cash at banks and other short-term deposits with original maturities of three months or less. Our cash and cash equivalents and liquid investments are denominated in the United States dollars (the "**US dollars**"), Renminbi ("**RMB**") and HK dollars.

For the year ended 31 December 2024, the Group recorded net cash outflow of approximately RMB72.2 million, primarily representing net cash inflow in operating activities of approximately RMB5.4 million; net cash outflow in investing activities of approximately RMB80.1 million; and net cash inflow in financing activities of approximately RMB2.6 million.

The Group manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities, continuously monitoring forecast and actual cash flows, and matching the maturity profiles of financial assets and liabilities.

The gearing ratio of the Group, calculated as total borrowings divided by total assets, was approximately 5.6% as at 31 December 2024 (31 December 2023: approximately 13.8%).

The following table sets forth the maturity profile of our borrowings within the years indicated:

	As at 31 December 2024	As at 31 December 2023
	RMB'000	*RMB'000*
Within 1 year	**59,820**	100,804
1 year to 2 years	**—**	59,684
2 years to 5 years	**—**	—
Total borrowings	**59,820**	160,488

Bank and other borrowings as at 31 December 2024 were denominated in RMB (31 December 2023: RMB). For the year ended 31 December 2024, the interest rates of borrowings ranged from 3.00% to 6.50% per annum (year ended 31 December 2023: 3.30% to 8.04%).

Fund Raising Activities and Use of Proceeds

During the year ended 31 December 2024, the Company completed a fund-raising exercise to, among others, broaden the shareholder base and the capital base of the Company, strengthen the financial position of the Group and provide additional funding to the Group to finance its working capital needs and business developments, and raised total gross proceeds of approximately HK$39.66 million.

The placing of new ordinary shares of the Company under general mandate (the "**2024 Placing**") was completed on 13 November 2024 and a total of 271,664,037 new ordinary shares of the Company (the "**Placing Shares**") were placed to not less than six individual, corporate or other investors (the "**Placees**") at the placing price of HK$0.146 per Placing Share. All of the Placees were third party(ies) independent of and not connected with the Company and its connected persons and not acting in concert (as defined in The Codes on Takeovers and Mergers and Share Buy-backs) with any of the connected persons of the Company or any of their respective associates and not otherwise connected persons of the Company. The net proceeds from the 2024 Placing amounted to approximately HK$38.73 million (after deducting the placing commission and other expenses incurred in the 2024 Placing). The net price of each Placing Share was approximately HK$0.143. The Placing Shares had an aggregate nominal value of approximately US$2,716.6 (representing US$0.00001 per Placing Share). The closing price of the share of the Company on 21 October 2024, being the date on which the terms of the 2024 Placing were fixed, was HK$0.175.

The Company intends to apply the net proceeds from the 2024 Placing as to (i) approximately 45.0% or HK$17.43 million for strengthening the Group's existing credit facilitation business and SaaS business; (ii) approximately 45.0% or HK$17.43 million for the development and expansion of Vala; and (iii) approximately 10.0% or HK$3.87 million for the replenishment of general working capital of the Group.

During the year ended 31 December 2024, the net proceeds from the 2024 Placing have been utilised as follows:

	Net proceeds allocated *HK$'000 (approximate)*	Net proceeds from the 2024 Placing utilised during the year ended 31 December 2024 *HK$'000 (approximate)*	Unutilised balance of the net proceeds from the 2024 Placing as at 31 December 2024 *HK$'000 (approximate)*	Expected timeline of utilisation of net proceeds from the 2024 Placing *HK$'000 (approximate)*
Strengthening the Group's existing credit facilitation business and SaaS business	17,430	—	17,430	By 31 December 2027
Development and expansion of Vala	17,430	—	17,430	By 31 December 2027
General working capital	3,870	443	3,427	By 31 December 2027
Total	38,730	443	38,287	

For further details of the 2024 Placing, please refer to the Company's announcements dated 21 October 2024, 7 November 2024 and 13 November 2024.

Exposure to Fluctuations in Exchange Rates

The Group's subsidiaries primarily operate in the PRC and are exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars and HK dollars.

For the Group's PRC subsidiaries whose functional currency is RMB, if US dollars had strengthened/weakened by 5% against RMB with all other variables held constant, the loss before income tax for the year ended 31 December 2024 would have been approximately RMB305,000 higher/lower, and the loss before income tax for the year ended 31 December 2023 would have been approximately RMB441,000 higher/lower, as a result of net foreign exchange gains/(losses) on translation of net monetary liabilities denominated in US dollars.

For the Group's PRC subsidiaries whose functional currency is RMB, if HK dollars had strengthened/weakened by 5% against RMB with all other variables held constant, the loss before income tax for the year ended 31 December 2024 would have been approximately RMB13,000 lower/higher, and the loss before income tax for the year ended 31 December 2023 would have been approximately RMB23,000 lower/higher, as a result of net foreign exchange gains/(losses) on translation of net monetary assets denominated in HK dollars.

The Group did not enter into any foreign exchange forward contracts or other hedging instruments to hedge against fluctuating during the year ended 31 December 2024.

The Group will monitor and manage foreign exchange risk from time to time and enter into foreign exchange forward contracts depending on circumstance to cover specific foreign currency payments and receipts within the exposure generated from time to time where appropriate.

Charge on Assets

For the year ended 31 December 2024, the Group had charged its properties located at Building B3, No. 588 Wenyi West Road, Hangzhou, PRC in favour of Hangzhou Branch of Bank of Wenzhou Co., Ltd. for obtaining mortgage loans of RMB69.3 million.

Material Investment and Future Plans for Material Investments on Capital Assets Acquisition

For the year ended 31 December 2024, the Group did not have any material investments (year ended 31 December 2023: Nil). The Group had no specific plan for material investment or acquisition of capital assets as at 31 December 2024.

Material Acquisition and Disposal

For the year ended 31 December 2024, the Group did not have any material acquisition or disposal of subsidiaries, associates or joint ventures (year ended 31 December 2023: Nil).

Contingent Liabilities

A subsidiary of the Company, Hangzhou Enniu Network Technology Co Ltd., has been collaborating with Bank of Wenzhou Co., Ltd. on the co-branding credit card business since 2017 and all co-branding credit cards have expired in August 2023. Currently, there is a dispute between the two parties regarding the settlement and distribution of funds related to this business, and it cannot be ruled out that litigation may potentially arise in the future. The dispute is still in the stage of communication and mediation as of 31 December 2024. As of 31 December 2024, since the Group cannot reasonably predict the outcome of the mediation, no provision has been made for this matter. The Group estimates that the amount involved, for which no provision has been made, is approximately RMB42 million.

Final Dividend

The Board did not recommend the declaration of a final dividend for the year ended 31 December 2024 (2023: Nil).

Employees and Remuneration policy

As at 31 December 2024, the Group had approximately 373 employees (2023: 360 employees). For the year ended 31 December 2024, the total staff cost incurred by the Group was approximately RMB117.2 million (2023: approximately RMB137.7 million). The Company has established an effective compensation management system and talent incentive mechanism by following the principle of "competitive compensation to attract high-quality talent". The Company's compensation system is linked to the performance appraisal system and the Group's operating results to create a more fair and humane working environment for each employee to fully exert his/her own value, so as to provide human resources guarantee for the Group's sustainable and stable development. In addition, the Company focuses on employee training system construction, including new employee induction training and on-the-job training, covering professional training to improve vocational skills, management training to enhance leadership quality and general-purpose training to develop comprehensive quality. The Company has also adopted the 51 Stock Scheme and 51 Award Scheme to reward the employees.

EVENTS AFTER THE REPORTING PERIOD

Reference is made to the announcement of the Company dated 24 January 2025 in relation to (a) the sale of 1,358,954,030 shares ("**China Netcom Shares**") of China Netcom Technology Holdings Limited ("**China Netcom**"), a subsidiary of the Company, by 51RENPIN.COM INC. ("**51RENPIN**") and the Company to Qichen High-Tech Management Consulting Ltd. and Shandong Qichen Zhongke Investment Holding Co., Ltd.* (山東啟辰中科投資控股有限公司) (collectively, the "**Purchasers**"); and (b) the placing (the "**China Netcom Placing**") of 476,009,183 China Netcom Shares held by 51RENPIN (the "**China Netcom Placing Shares**"). Pursuant to a sale and purchase agreement dated 24 January 2025 entered into among 51RENPIN, the Company and the Purchasers, 51RENPIN and the Company conditionally agreed to sell, and the Purchasers conditionally agreed to acquire, 1,358,954,030 China Netcom Shares (representing approximately 29.00% of the total issued share capital of China Netcom as at 24 January 2025) at a total consideration of HK$21,750,000 (the "**China Netcom S&P**"). Furthermore, pursuant to a placing agreement entered into between 51RENPIN and Lego Securities Limited (the "**Placing Agent**") dated 24 January 2025, 51RENPIN agreed to place through the Placing Agent up to a maximum of 476,009,183 China Netcom Shares (representing approximately 10.16% of the total issued share capital of China Netcom as at 24 January 2025) on a best effort basis at HK$0.014 per China Netcom Placing Share to placees who shall be individual, professional or institutional investors. Upon completion of the China Netcom S&P and the China Netcom Placing, assuming that all 476,009,183 China Netcom Placing Shares have been successfully placed by the Placing Agent, the Company will no longer, directly or indirectly, hold any interest in China Netcom. As at the date of this announcement, completion of the China Netcom S&P and the China Netcom Placing have yet to take place.

Save as disclosed, there is no other event that will have material impact on the Group which occurred after 31 December 2024 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company during the year.

CORPORATE GOVERNANCE PRACTICES

For the year ended 31 December 2024, the Company had applied and complied with all the code provisions in Part 2 of Appendix C1 (the "**CG Code**"), with exceptions set out as follows:

Code Provision C.2.1

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual.

Currently, Mr. Sun takes up the roles of both chairman of the Board and the chief executive officer of the Company, which is deviated from code provision C.2.1 of the CG Code which stipulates that the roles of chairman and the chief executive officer should be separate and should not be performed by the same individual. The Board considers that Mr. Sun possesses the essential leadership skills to manage the Board and extensive knowledge in the business of the Group. In the opinion of the Directors, through supervision by the Board and the independent non-executive Directors, together with effective control of the Company's internal check and balance mechanism, the same individual performing the roles of chairman and the chief executive officer can achieve the goal of improving the Company's efficiency in decision making, execution and effectively capturing business opportunities. The Board will review the effectiveness of this arrangement from time to time.

Code Provision C.1.6

Code provision C.1.6 of the CG Code stipulates that, among others, independent non-executive directors and other non-executive directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. During the year ended 31 December 2024, Ms. Zou Yunli did not attend extraordinary general meetings to avoid any potential conflict of interest and did not attend the annual general meeting due to other business commitments.

REVIEW OF THE ANNUAL RESULTS

The Company has established the Audit Committee in compliance with Rule 3.21 of the Listing Rules and the CG Code. The Audit Committee consists of three members, of whom Mr. Ye Xiang (independent non-executive Director) is the chairman, and other members are Ms. Zou Yunli (non-executive Director) and Mr. Xu Xuchu (independent non-executive Director).

The Audit Committee has reviewed the audited consolidated annual results of the Group and the audited consolidated annual financial information for the year ended 31 December 2024 and also reviewed and confirmed the accounting policies and practices adopted by the Group.

EXTRACT OF INDEPENDENT AUDITOR'S REPORT

The following is the extract of the independent auditor's report from ZHONGHUI ANDA CPA Limited, the external auditor of the Company, on the Group's consolidated financial statements for the year ended 31 December 2024:

QUALIFIED OPINION

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, 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 Standard and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

1. Deconsolidation of subsidiaries

As disclosed in Note 35 of Notes to the consolidated financial statement of the annual report of the Company for the year ended 31 December 2022, Beijing Shouhui Kaizhou Technology Co., Ltd. ("**Shouhui Kaizhou**"), who, through its subsidiaries (collectively, the "**SK Group**"), holds a valid payment license, was acquired by the Group from the former shareholders of Shouhui Kaizhuo in December 2017.

In or around early August 2022, Mr. Yang Fan, the former controlling shareholder of Shouhui Kaizhuo, had restricted the management of SK Group from contacting the staff of the Group, and the Group had since 3 August 2022 (the "**Date of Deconsolidation**") been unable to carry out workplace communication with SK Group and also unable to access all the books and records of SK Group. The Group considered that since the Date of Deconsolidation, the Group is unable to (i) control the operation and finance of SK Group; (ii) obtain the books and records of SK Group; (iii) obtain report from the management of SK Group on business matters; and (iv) direct the future development of SK Group.

In light of the above circumstances, the Group considered it had lost control over SK Group and had excluded the consolidated financial position of SK Group as at and after the Date of Deconsolidation and the results and cash flows of SK Group since the Date of Deconsolidation from the consolidated financial statements of the Group for the year ended 31 December 2022 (the "**Deconsolidation**").

The Group has been taking protective measures such as (i) taking legal action against SK Group for the repayment of loans of an aggregate of approximately RMB101,425,800 to the Group; (ii) obtaining an order from the court to freeze the bank accounts of operating companies of SK Group; and (iii) commencing legal proceedings against the relevant individuals and entities (collectively, the "**Legal Proceedings**"). Due to the uncertainty of the outcome of the Legal Proceedings, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether the Deconsolidation of SK Group was appropriate.

Due to the insufficient supporting documents and relevant explanations on the accounting books and records in respect of SK Group and its operations, we were unable to obtain sufficient appropriate audit evidence to satisfy ourselves as to whether: (i) the income and expenses for the years ended 31 December 2024 and 2023; (ii) the assets and liabilities as at 31 December 2024 and 2023; and (iii) the segment information and other related disclosure notes in relation to the Group, as included in the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements:

(a) Commitments and contingent liabilities in relation to SK Group and its operations

No sufficient evidence has been provided to satisfy ourselves as to the existence and completeness of the disclosures of commitments and contingent liabilities in relation to SK Group and its operations as at 31 December 2024 and 2023.

(b) Related party transactions and disclosures in relation to SK Group and its operations

No sufficient evidence has been provided to satisfy ourselves as to the existence, accuracy and completeness of the disclosures of the related party transactions for the year ended 31 December 2024 and 2023 and balances as at 31 December 2024 and 2023 in relation to SK Group and its operations as required by International Accounting Standard 24 (Revised) "Related Party Disclosures".

Any adjustments to the figures described above might have a consequential effect on the Group's consolidated financial performance and consolidated cash flows for the years ended 31 December 2024 and 2023, the consolidated financial position of the Group as at 31 December 2024 and 2023 and the related disclosure thereof in the consolidated financial statements.

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 are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (the "**Code**"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion."

PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.u51.com). The annual report will be despatched to the shareholders and published on both aforementioned websites on or before 30 April 2025.

* *The English names have been transliterated from their respective Chinese names and are for identification only.*

By Order of the Board
51 Credit Card Inc.
Sun Haitao
Chairman, Chief Executive Officer and Executive Director

31 March 2025

As at the date of this announcement, the executive Directors are Mr. Sun Haitao and Ms. Wu Shan; the non-executive Directors are Ms. Zou Yunli, Ms. Gao Li and Ms. Jiang Chloe Cuicui and the independent non-executive Directors are Mr. Ye Xiang, Mr. Xu Xuchu and Mr. Shou Jian.