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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)

US\$85,000,000 11.0% Senior Notes due 2022

(Stock Code: 40498)

**SUPPLEMENTAL INFORMATION IN RELATION TO THE
ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

Reference is made to the annual report (the “**Annual Report**”) of VCREDIT Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2021 and published on 23 March 2022.

Unless otherwise defined in this announcement or the context otherwise requires, terms and expressions defined in the Annual Report shall have the same meanings in this announcement.

The Company wishes to advise shareholders of the Company, holders of other securities of the Company and potential investors of the following additional information:

(1) Management’s Discussion and Analysis

In the section “*Management’s Discussion and Analysis – Operating Review – Products and Services*” of the Annual Report, in addition to the other principal terms of loan amount and loan tenor, the interest rate (inclusive, where applicable, of our funding partners interest share and guarantee charges of credit enhancement organisations) payable in respect of loans granted by the Group to customers during the Year ranged from 18.00% per annum to 35.95% per annum, according to the type of consumer loan product and depending on factors such as results of the credit assessment and allocated score, loan size and loan tenor. As the Group is primarily engaged in lending to consumers, the Group did not have any concentration of loans in any single borrower during the Year. As at 31 December 2021, the aggregate principal amount outstanding from the five largest borrowers of the Group was RMB2,043,501 (representing 0.013% of the total loan volume of the Group as at 31 December 2021) and the principal amount outstanding from the largest borrower of the Group was RMB520,333 (representing approximately 0.003% of the total loan volume of the Group as 31 December 2021). All of these are loans from our legacy offline secured product business and are being gradually run-off. The amount of our loans granted through our existing online business are typically less.

(2) Risk Management and Internal Control

In the section “*Corporate Governance Report – Risk Management and Internal Control*” contained in the Annual Report:

- (A) The Group’s process for receiving and assessing loan applications is managed entirely online through the Group’s proprietary technology known as ‘*Hummingbird*’, which undertakes credit assessment by, amongst other things, verifying applicants’ identities, detecting and preventing fraudulent applications and risk quantification through the application of proprietary multi-dimensional scorecards which are based on aspects of applicants’ profiles such as information available from the Credit Reference Center of the People’s Bank of China (“**CCRC**”), past payment behavior, number of bank credit cards, e-commerce activities and online social behaviour. Based on the Group’s credit risk assessment, borrowers are allocated a credit score and credit rating category and, according to which, the Group will determine successful applicants and the amount and tenor of loans and interest rate chargeable.
- (B) The Group re-assesses existing customers’ creditworthiness monthly by scoring them according to a behavior score card (a credit risk model for existing customers) and tracks the performance of loans granted to customers throughout their terms, especially through the application of the First Payment Delinquency Ratio, the M1-M3 ratio and the M3+ ratio. Comprehensive risk metrics are easily accessible on a daily basis through systems such as the Group’s internal APP and BI (*business intelligence*) portal.
- (C) In the event of a loan delinquency, the Group at present applies different collection methods depending on the delinquency stage. From the due date to early delinquency stage (due date and two days after due date), automatic reminders are sent by instant messages and AI (*artificial intelligence*) calls to delinquent borrowers, during the mid-delinquency stage (delinquency is 3 days or more to 90 days), collection calls are made and instant messages are sent and where delinquency exceeds the mid-delinquency stage (delinquency is over 90 days), the Group’s collection methods will extend to lawyer’s demand letters, pre-litigation mediation and litigation and other remedies available to the Group such as disclosure of the delinquency to the CCRC or to outsource collection to third party agencies.

The above additional information supplements, and should be read in conjunction with, the Annual Report. Save as otherwise disclosed above, information contained in the Annual Report remains unchanged.

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

Hong Kong, 18 August 2022

As at the date of this announcement, the board of directors of the Company comprises Mr. Ma Ting Hung as the chairman and an executive director; Mr. Liu Sai Wang Stephen and Mr. Liu Sai Keung Thomas 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.