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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED JUNE 30, 2025

The board (the “**Board**”) of directors (the “**Directors**”) of VCREDIT Holdings Limited (the “**Company**” or “**we**”) announces the unaudited consolidated interim results of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended June 30, 2025 (the “**Period**”).

FINANCIAL HIGHLIGHTS

	Six months ended June 30,		
	2025	2024	Change
	RMB million	RMB million	
Total Income	2,499.9	1,738.4	43.8%
Interest and similar income	1,089.5	1,068.3	2.0%
Less: interest expenses	(153.0)	(193.3)	-20.8%
Loan facilitation service fees	1,269.8	939.6	35.1%
Other income/(expenses)	293.6	(76.2)	NM ⁽³⁾
Operating Profit	279.4	154.4	81.0%
Net Profit	216.0	120.3	79.5%
Non-IFRS Adjusted Operating Profit ⁽¹⁾	281.4	154.8	81.8%
Non-IFRS Adjusted Net Profit ⁽²⁾	217.9	120.7	80.5%

Notes:

- (1) Non-IFRS Adjusted Operating Profit is defined as operating profit for the applicable period 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 applicable period excluding share-based compensation expenses. For more details, please see the section headed “Management Discussion and Analysis – Non-IFRS Measures”.
- (3) NM: not meaningful

INTERIM DIVIDEND

The Board has recommended the distribution of an interim dividend of HK5 cents per ordinary share of the Company (the “**Shares**”) for the Period (for the six months ended June 30, 2024: Nil) to shareholders of the Company (the “**Shareholders**”), from the share premium account of the Company, subject to the approval of the Shareholders at an extraordinary general meeting expected to be held on or around Thursday, October 9, 2025 (the “**EGM**”).

BUSINESS REVIEW AND OUTLOOK

In the first half of 2025, the external environment remained complex and challenging with sluggish global trade growth, although China's gross domestic product demonstrated relative stability. However, structural issues such as insufficient domestic demand, deflationary pressures, and a subdued real estate market remained prominent. Against this backdrop, intensified regulatory scrutiny in the loan facilitation sector and tightening borrower liquidity continued to weigh on the credit market. We proactively adjusted our business strategies by strengthening risk controls and enhancing operational efficiency, while further consolidating our business framework to maintain and support a secure and compliant digital financial ecosystem. These efforts advanced our strategic roadmap to expand operations in new markets.

During the Period, we continued to optimize risk models, innovate products and services, and elevate technical standards to focus on higher-quality borrowers. Alongside fintech innovation and enhanced risk management, we prioritized protecting borrowers' consumer rights and personal data security in response to evolving industry regulations. Concurrently, we implemented measures to cultivate and retain talent, fostering sustainable and stable business growth. Our performance and results during the Period fully demonstrated the resilience and flexibility of our development strategy, business model and operations.

Business Review

In the first half of 2025, our loan origination volume in the Chinese mainland reached RMB38.0 billion. While macro policy effects gradually materialized, economic recovery lagged. We adjusted our operational strategy by strengthening risk controls to mitigate borrower credit risks and reduce asset impairments, while implementing cost control measures to improve efficiency.

During the Period, we systematically upgraded our risk-control framework and optimized our customer portfolio toward higher-quality borrowers, while simultaneously launching a suite of strategic initiatives designed to reinforce business resilience. By deepening partnerships with several leading premium platforms, piloting new data sources exclusively for prime borrowers, and strategically improving approval rates for this cohort, we have built a robust sample set of high-quality borrowers that continuously informs the refinement of our underwriting policies and risk models. Added to this, we proactively allocated substantial resources to reduce customer complaint rates to a historic low, laying a solid foundation for sustainable operations. Although the aforementioned strategic investments have modestly elevated early-stage risk metrics in the short term, the continuous accretion and enrichment of user data are steadily sharpening our ability to identify and serve high-quality borrowers, thereby underpinning a durable and long-term improvement in asset quality.

Technology is a core driver of our development. In the first half of 2025, we continued to advance the application and innovation of artificial intelligence (“AI”) technologies across business scenarios. Through technological breakthroughs such as “蜂鳥” (*Hummingbird*) 2.0 platform upgrade, the development of the ChatBI tool, and the implementation of a multi-agent collaboration system powered by “金鳥大模型” (*Sunbird AI Hub*), we have built an intelligent ecosystem covering the entire chain of research and development (“R&D”), risk control, and business operations. The *Hummingbird* 2.0 platform upgrade introduced a dual-engine approach combining visual strategy configuration with intelligent scenario validation, significantly improving risk identification accuracy and response efficiency while providing critical technical support for the intelligent transformation of our risk control systems. The ChatBI tool enables users to query data directly via natural language, automating data retrieval processes to enhance data efficiency and decision-making quality. The multi-agent collaboration system has deeply reshaped business workflows in areas such as intelligent marketing and AI-powered customer service. By simulating specialized role allocation and efficient distributed collaboration mechanisms, the agent clusters achieve dynamic intent recognition, intelligent data feature extraction, and precise domain knowledge orchestration, ultimately driving breakthroughs in both operational efficiency and business outcomes. During the Period, we also accelerated the adoption of AI-powered programming across various work scenarios, establishing a new paradigm for technology R&D. The proportion of AI-generated code rose to 25%, significantly improving the productivity and code quality of our system development and data analysis teams, thereby effectively supporting rapid business growth. In addition to actively adopting AI technologies internally, we are also expanding outward into emerging technology fields. Last year, we made a strategic investment in EXIO Group, one of the first virtual asset trading platforms licensed by the Hong Kong Securities and Futures Commission. This investment enables us to bridge traditional finance with the Web3.0 ecosystem and drive the development of safer, more innovative solutions.

Building on the continuous strengthening of our technological capabilities, we remain focused on expanding our premium user base through diversified marketing strategies and high-quality scenarios. In the first half of 2025, we established traffic partnerships with some of China’s top-tier integrated retail e-commerce platforms, leading mobility service providers and premier travel services platforms, leveraging multi-dimensional user profiling to enhance conversion efficiency, achieving simultaneous growth in user scale and quality. Beyond acquiring new customers, we optimized services for existing clients. Repeat borrowers accounted for 77.9% of total loan volume for our business in the Chinese mainland in the first half of 2025. We adhere to an operational approach that prioritizes both risk and efficiency, actively applying a dual-dimensional strategy integrating intent-based and risk-based modeling. Balancing risk management with demand response, we implement differentiated operations for customers with different credit profiles and funding needs, providing more tailored and aligned financial solutions and interest protection. Meanwhile, our deepened user behavior insights enabled proactive personalized support at critical service touchpoints. At the same time, our customer-centric philosophy permeated the service lifecycle through enhanced product transparency, streamlined loan processes to optimize autonomous decision-making and intelligent risk controls to safeguard account security, to integrate consumer rights protection into the entire service lifecycle and create a more secure and respectful financial experience for our users. As of June 30, 2025, cumulative registered users in the Chinese mainland reached 167 million, representing an 11.7% year-on-year increase compared to the first half of 2024.

By June 30, 2025, we had achieved long and stable partnerships with 112 external funding institutions in the Chinese mainland, including commercial banks, consumer finance companies, and trust funds. Embracing open and win-win collaboration, we actively explored diversified cooperation paths to enrich cooperation models. Focusing on market demand and industry development trends, we cooperated with many partners in the technology output space. Through the efficient integration of resources and complementary strengths, we continuously enhanced the technological innovation capabilities and core competitiveness of both stakeholders, laying a solid foundation for close strategic synergy relationships. At the same time, we are collaborating with several leading financial institutions to forge a deeply innovative cooperation model in the field of traffic operations. By building joint modeling initiatives, we can precisely tap into traffic monetization opportunities and efficiently connect with more partners.

Apart from strengthening our core consumer finance business in the Chinese mainland, we are continuing with our strategic expansion into new markets and refining our operating model to align with our long-term vision. Our Hong Kong business “CreFIT” continues to deepen partnerships with high-quality, cross-industry platforms to widen user access, and continuously optimize product operations to enhance user engagement. We remain committed to our acquisition of Banco Português de Gestão, S.A., a credit institution registered with the Bank of Portugal, and are actively expanding into the Southeast Asian market.

Operating Review

During the Period, the Group’s financial performance was primarily driven by its business operation in the Chinese mainland, as the Group’s businesses outside the Chinese mainland were at a relatively early stage and their contribution was not material. The following review is based on our business in the Chinese mainland.

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 instalment-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 organizations) ranged from 8.00% per annum to 35.95% 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. For the Period, the average term of our credit products was approximately 9.7 months and the average loan size was approximately RMB8,896. As the Group is primarily engaged in lending to consumers, the Group did not have any concentration of loans in any single individual borrower during the Period. As at June 30, 2025, the aggregate online principal amount outstanding from the five largest borrowers of the Group was RMB1,002,500 (representing 0.003% of the total online loan balance of the Group as at June 30, 2025) and the online principal amount outstanding from the largest borrower of the Group was RMB200,500 (representing approximately 0.001% of the total online loan balance of the Group as at June 30, 2025). The total number of cumulative borrowers was 12.4 million as of June 30, 2025.

The following table sets forth a breakdown of the online loan origination volume in the Chinese mainland by funding structure for the periods indicated.

Loan Origination Volume	Six months ended June 30,			
	2025		2024	
	<i>RMB million</i>	<i>%</i>	<i>RMB million</i>	<i>%</i>
Direct Lending	600.7	1.6%	485.6	1.8%
Trust Lending	8,346.4	22.0%	6,301.7	23.3%
Credit-enhanced loan facilitation	24,129.3	63.5%	15,915.7	58.9%
Pure loan facilitation	4,920.8	12.9%	4,320.1	16.0%
Total	37,997.2	100.0%	27,023.1	100.0%

From all the loans originated by us, the outstanding loan principal is calculated using an amortisation schedule and is defined as the online consumption products outstanding balance of loans to customers. As at June 30, 2025, the Group's online consumption products outstanding balance of loans to customers in the Chinese mainland was RMB33,550.2 million.

Asset Quality

During the Period, the macroeconomic environment remained uncertain with persistent softness in the real estate sector, escalating China-U.S. trade tensions, and evolving regulations in consumer finance, adding more pressure in the credit market.

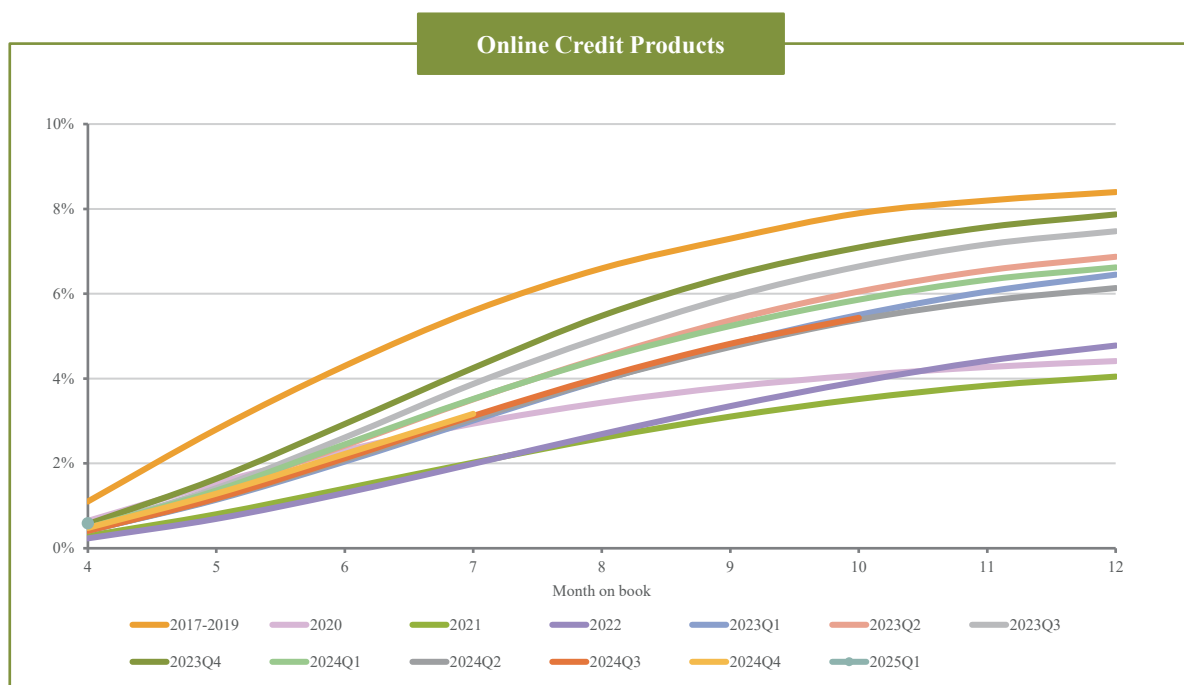
In response, we implemented a series of targeted strategic measures to enhance the resilience of our business operations. This included a systematic upgrade of our risk control framework and an optimisation of our customer portfolio structure, deliberately transitioning our customer base toward a higher-quality segment. During this process, we proactively piloted exclusive new data sources for high-quality borrowers to deepen our understanding of this segment, while also strengthening partnerships with several leading platforms to strategically improve their approval rates. These efforts have led to a consistent expansion of our robust sample pool of high-quality borrowers. Leveraging advanced large-scale models, our systems automatically generate multi-dimensional user profiles, facilitating the refinement of underwriting policies and risk models.

In parallel, we heightened focus on consumer protection and proactively allocated substantial resources to reduce the customer complaint rate to an all-time low. This has reinforced our sustainable operational capabilities and bolstered user trust in our brand.

Although these strategic adjustments temporarily impacted certain early-stage risk metrics, with the first payment delinquency ratio rising to 0.91% in Q2 2025 from 0.58% in Q4 2024. The long-term indicator M3+ ratio gradually declined to 2.43% by the end of Q2 2025.

	2023Q3	2023Q4	2024Q1	2024Q2	2024Q3	2024Q4	2025Q1	2025Q2
First payment delinquency ratio ⁽¹⁾	0.61%	0.71%	0.59%	0.50%	0.48%	0.58%	0.70%	0.91%
M1-M3 ratio ⁽²⁾	4.45%	5.07%	4.62%	4.47%	3.52%	3.39%	3.12%	3.57%
M3+ ratio ⁽³⁾	2.83%	2.98%	3.49%	3.82%	3.89%	3.02%	2.67%	2.43%

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 the Chinese mainland, 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 the 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 the Chinese mainland and other jurisdictions
- Cultivate dynamic enterprise value and culture, grow our in-house talents

MANAGEMENT DISCUSSION AND ANALYSIS

The following selected interim condensed consolidated statements of comprehensive income for the Period has been derived from our unaudited condensed consolidated interim financial information and related notes included elsewhere in this unaudited interim results announcement.

Total Income

We derived our total income through (i) net interest and similar income; (ii) loan facilitation service fees; and (iii) other income/(expenses). Our total income increased by 43.8% to RMB2,499.9 million for the Period, compared to RMB1,738.4 million for the six months ended June 30, 2024 (the “**Corresponding Period**”), primarily due to an increase in loan volume and an increase in the contributions from other revenue stream.

Net Interest and Similar Income

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

	Six months ended June 30,	
	2025	2024
Net Interest and Similar Income	<i>RMB'000</i>	<i>RMB'000</i>
Interest and similar income	1,089,520	1,068,276
Less: interest expenses	(153,005)	(193,290)
Total	<u>936,515</u>	<u>874,986</u>

For the Period, we recorded interest and similar income generated from loans to customers originated under direct lending and trust lending structures of RMB1,089.5 million, an increase of 2.0% compared to RMB1,068.3 million for the Corresponding Period, primarily due to an increase in the average outstanding loan balance.

Interest expenses decreased by 20.8% to RMB153.0 million for the Period, compared to RMB193.3 million for the Corresponding Period, primarily due to a decrease in the weighted average interest rate during the Period.

Loan Facilitation Service Fees

Loan facilitation service fees increased by 35.1% to RMB1,269.8 million for the Period, compared to RMB939.6 million for the Corresponding Period, primarily due to an increase in loan origination volume through our credit-enhanced and pure loan facilitation structures.

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 periods indicated.

	Six months ended June 30,	
	2025	2024
Loan Facilitation Service Fees	<i>RMB'000</i>	<i>RMB'000</i>
Credit-enhanced loan facilitation	1,172,270	866,506
Pure loan facilitation	97,541	73,118
Total	<u>1,269,811</u>	<u>939,624</u>

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

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loan Facilitation Service Fees		
Upfront loan facilitation service fees	814,151	566,557
Post loan facilitation service fees	455,660	373,067
Total	1,269,811	939,624

Other Income/(Expenses)

We recorded other income of RMB293.6 million for the Period, compared to other expenses of RMB76.2 million for the Corresponding Period, primarily due to an increase in gains from guarantee caused by increase in loan origination and change in asset quality, and an increase in technology and platform service fees through our diverse service and growing third-party platforms.

The following table sets forth a breakdown of our other income/(expenses) for the periods indicated.

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Other Income/(Expenses)		
Technology and platform service fees	215,253	76,456
Government grants	33,814	56,263
Gains/(losses) from guarantee	21,523	(234,706)
Penalty and other charges	17,210	16,939
Others	5,782	8,795
Total	293,582	(76,253)

Expenses

Origination and Servicing Expenses

Our origination and servicing expenses increased by 71.9% to RMB1,075.9 million for the Period, compared to RMB626.0 million for the Corresponding Period, mainly due to increased customer acquisition costs driven by our intensified efforts to target better-quality customers, and an increase in loan collection fees resulting from expanded loan origination volume, reflecting our strategic focus on enhancing our loan origination portfolio.

Sales and Marketing Expenses

Our sales and marketing expenses increased by 30.7% to RMB31.5 million for the Period, compared to RMB24.1 million for the Corresponding Period, due to an increase in 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 33.2% to RMB216.0 million for the Period, compared to RMB162.2 million for the Corresponding Period, primarily driven by strategic investments in employee benefits and professional services, strengthening our operational foundation to support long-term sustainable growth.

Research and Development Expenses

Our research and development expenses increased by 2.6% to RMB58.5 million for the Period, compared to RMB57.0 million for the Corresponding Period, primarily driven by strategic investments in core technical capabilities and organizational optimization, while streamlining our procedures and improvements in efficiency.

Operating Profit

We recorded an operating profit of RMB279.4 million for the Period, an increase of 81.0% compared to RMB154.4 million for the Corresponding Period, primarily due to an increase in loan volume during the Period, which led to an increase in total income, while an increase in our operating expenses and credit impairment losses as a result of an increase in loan origination and business scale partially offset the impact of the above increase in profit.

Net Profit

We recorded a net profit of RMB216.0 million for the Period, an increase of 79.5% compared to RMB120.3 million for the Corresponding Period, which is consistent with our operating profit for the same period.

Non-IFRS Adjusted Operating Profit

Our Non-IFRS adjusted operating profit was RMB281.4 million for the Period, an increase of 81.8% compared to RMB154.8 million for the Corresponding Period.

Non-IFRS Adjusted Net Profit

Our Non-IFRS adjusted net profit was RMB217.9 million for the Period, an increase of 80.5% compared to RMB120.7 million for the Corresponding Period.

Non-IFRS Measures

To supplement our historical financial information, which is presented in accordance with International Financial Reporting Standards (“IFRS”), 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.

	Six months ended June 30,	
	2025	2024
	<u>RMB'000</u>	<u>RMB'000</u>
Operating Profit	279,447	154,417
Add:		
Share-based compensation expenses	<u>1,906</u>	<u>346</u>
Non-IFRS Adjusted Operating Profit	<u>281,353</u>	<u>154,763</u>
Non-IFRS Adjusted Operating Profit Margin ⁽¹⁾	<u>11.3%</u>	<u>8.9%</u>
	Six months ended June 30,	
	2025	2024
	<u>RMB'000</u>	<u>RMB'000</u>
Net Profit	215,989	120,343
Add:		
Share-based compensation expenses	<u>1,906</u>	<u>346</u>
Non-IFRS Adjusted Net Profit	<u>217,895</u>	<u>120,689</u>
Non-IFRS Adjusted Net Profit Margin ⁽²⁾	<u>8.7%</u>	<u>6.9%</u>

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 increased by 33.8% to RMB8,360.2 million as at June 30, 2025, compared to RMB6,247.1 million as at December 31, 2024, primarily due to an increase in our trust lending and direct lending loan origination volume by 50.7% to RMB8,947.1 million for the Period, compared to RMB5,937.2 million for the six months ended December 31, 2024.

	As at June 30, 2025		As at December 31, 2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Online consumption products	<u>8,360,232</u>	<u>100.0%</u>	<u>6,247,054</u>	<u>100.0%</u>

Contract Assets

Our contract assets increased by 28.6% to RMB529.3 million as at June 30, 2025, compared to RMB411.5 million as at December 31, 2024, due to an increase in our credit-enhanced and pure loan origination volume by 27.5% to RMB29,050.1 million for the Period, compared to RMB22,793.0 million for the six months ended December 31, 2024.

	As at June 30, 2025	As at December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
Contract assets	632,084	488,059
Less: expected credit losses (“ECL”) allowance	<u>(102,832)</u>	<u>(76,548)</u>
	<u>529,252</u>	<u>411,511</u>

Guarantee Receivables and Guarantee Liabilities

Our guarantee receivables increased by 24.7% to RMB1,388.4 million as at June 30, 2025, compared to RMB1,113.1 million as at December 31, 2024. Our guarantee liabilities increased by 47.4% to RMB1,320.3 million as at June 30, 2025, compared to RMB895.8 million as at December 31, 2024. The changes in guarantee receivables and guarantee liabilities are primarily due to the increase in our credit-enhanced loan origination volume by 24.1% to RMB24,129.3 million for the Period, compared to RMB19,438.8 million for the six months ended December 31, 2024.

	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Guarantee Receivables		
Opening balance	1,113,142	1,317,024
Addition arising from new business	1,760,695	1,196,504
ECL	(127,912)	(98,607)
Reversal due to early repayment	(110,100)	(58,786)
Payment received from borrowers	(1,247,447)	(1,357,437)
Ending Balance	1,388,378	998,698
	Six months ended June 30,	
	2025	2024
	RMB'000	RMB'000
Guarantee Liabilities		
Opening balance	895,801	1,533,883
Addition arising from new business	1,760,695	1,196,504
Release of the margin	(122,688)	(88,347)
ECL remeasurement	101,165	323,053
Reversal due to early repayment	(110,100)	(58,786)
Payouts during the period, net	(1,204,599)	(1,882,736)
Ending Balance	1,320,274	1,023,571

Borrowings and Notes Payable

Our total borrowings and notes payable, as recorded in our interim condensed 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 increased by 44.1% to RMB6,676.4 million as at June 30, 2025, compared to RMB4,632.4 million as at December 31, 2024, primarily due to an increase in loans originated by us through our trust lending structure for the Period.

As at June 30, 2025, the Group had secured bank borrowings with a principal amount of RMB321.0 million guaranteed by deposits of RMB332.0 million.

As at June 30, 2025, 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.

On June 16, 2025, we repaid the remaining principal amount of HK\$100,000,000 of the HK\$200,000,000 9.5% senior notes due 2025 issued by the Company on June 16, 2022.

Ace Effort Asia Limited, a subsidiary of the Company, issued the following senior secured guaranteed notes, 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\$96.0 million:

Series 1: an aggregate principal amount of HK\$50,000,000 with a coupon rate of 9.50% per annum, issued on July 18, 2024 and due 2025.

Series 2: an aggregate principal amount of HK\$50,000,000 with a coupon rate of 9.00% per annum, issued on October 16, 2024 and due 2025.

Series 3: an aggregate principal amount of HK\$4,500,000 with a coupon rate of 8.25% per annum, issued on February 14, 2025 and repaid upon maturity on May 15, 2025.

Series 4: an aggregate principal amount of HK\$21,000,000 with a coupon rate of 8.25% per annum, issued on April 24, 2025 and due 2026.

	As at June 30, 2025		As at December 31, 2024	
	<i>RMB'000</i>	%	<i>RMB'000</i>	%
Payable to trust plan holders	6,676,362	90.1%	4,632,391	87.8%
Secured bank borrowings	328,505	4.5%	302,426	5.8%
Unsecured bank borrowings	282,568	3.8%	143,219	2.7%
Borrowings from other financial institutions	10,961	0.1%	11,146	0.2%
	<u>7,298,396</u>	<u>98.5%</u>	<u>5,089,182</u>	<u>96.5%</u>
Notes payable	<u>110,357</u>	<u>1.5%</u>	<u>184,840</u>	<u>3.5%</u>
Total	<u><u>7,408,753</u></u>	<u><u>100.0%</u></u>	<u><u>5,274,022</u></u>	<u><u>100.0%</u></u>

Weighted Average Interest Rates of Borrowings and Notes Payable	As at June 30, 2025	As at December 31, 2024
Payable to trust plan holders	5.0%	6.3%
Bank borrowings	4.9%	5.3%
Borrowings from other financial institutions	8.8%	9.5%
Notes payable	9.3%	9.4%

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 periods indicated.

	Six months ended June 30,	
	2025	2024
	<u>RMB'000</u>	<u>RMB'000</u>
Net cash (outflow)/inflow from operating activities	(2,001,280)	469,647
Net cash (outflow)/inflow from investing activities	(22,848)	13,421
Net cash inflow from financing activities	1,955,034	11,101
Net (decrease)/increase in cash and cash equivalents	(69,094)	494,169
Cash and cash equivalents at the beginning of the periods	1,693,437	896,700
Effects of exchange rate changes on cash and cash equivalents	<u>12,042</u>	<u>(313)</u>
Cash and cash equivalents at the end of the periods	<u><u>1,636,385</u></u>	<u><u>1,390,556</u></u>

Our cash inflow generated from operating activities 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 primarily consists of loan volume originated from 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 outflow used in operating activities of RMB2,001.3 million for the Period, as compared to net cash inflow generated from operating activities of RMB469.6 million for the Corresponding Period, primarily due to (i) an increase in loan volume originated by our trust lending structure for the Period; (ii) increased payment of security deposits to financial institution funding partners as a result of an increase in loan origination volume for our credit-enhanced; and (iii) higher operating expenses associated with an increase in loan origination and business scale. These factors were partially offset by an increase in cash inflow from other income due to continued optimisation of our marketing strategy and customer operations strategy, and a decrease in cash outflow used in payment of guarantee indemnification as a result of the change in asset quality.

We had net cash outflow from investing activities of RMB22.8 million for the Period, as compared to net cash inflow of RMB13.4 million for Corresponding Period. For the Period, we had a cash outflow increase primarily due to an increase of RMB45.1 million for payments of financial investments designated at fair value through profit or loss, partially offset by a decrease of RMB10.9 million in payment of investments accounted for using the equity method.

We had net cash inflow for financing activities of RMB1,955.0 million for the Period, as compared to net cash inflow from financing activities of RMB11.1 million for the Corresponding Period, mainly because we had a net cash inflow for borrowings and trust plans of RMB2,178.2 million for the Period, as compared to a net cash inflow of RMB227.5 million for the Corresponding Period. We also had net cash outflow used in payment of interest expenses of RMB121.3 million for the Period, as compared to a net cash outflow of RMB201.4 million for the Corresponding Period. Additionally, we had a net cash outflow of RMB96.3 million for repayment of notes payable, a net cash inflow from issuance of notes payable of RMB23.2 million and a net cash outflow of RMB11.9 million for payment of Shares bought for the Period.

Capital Commitments

The Group did not have any significant capital commitments contracted for but not recognised as liabilities as at June 30, 2025.

Charges on Assets

As at June 30, 2025, the Group had cash deposits and security deposits in financial institutions with an aggregate amount of RMB332.0 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\$96.0 million pledged as a floating charge to secure the Group's notes payable.

Contingencies

Save as disclosed in this unaudited interim results announcement, the Group did not have any significant contingent liabilities as at June 30, 2025.

ACQUISITIONS AND DISPOSALS

Material Investments and Acquisitions

The Group made an additional subscription for 2,395,210 Series Angel Preferred Shares of EXIO Group Limited for a consideration of HK\$4.0 million on January 20, 2025. As at June 30, 2025 and December 31, 2024, the Group holds a direct 15% interest in EXIO Group Limited and is entitled to nominate one director for appointment to the four-member board of directors of EXIO Group Limited.

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

Future Plans for Material Investments and Capital Assets

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

FINANCIAL RESULTS
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF
COMPREHENSIVE INCOME

		Six months ended June 30,	
		2025	2024
	<i>Notes</i>	<i>RMB'000</i>	<i>RMB'000</i>
		(Unaudited)	(Unaudited)
Continuing operations			
Interest and similar income	4	1,089,520	1,068,276
Less: interest expenses	4	(153,005)	(193,290)
Net interest and similar income	4	936,515	874,986
Loan facilitation service fees	5	1,269,811	939,624
Other income/(expenses)	6	293,582	(76,253)
Total income		2,499,908	1,738,357
Origination and servicing expenses	7	(1,075,852)	(625,954)
Sales and marketing expenses	7	(31,471)	(24,082)
General and administrative expenses	7	(215,977)	(162,182)
Research and development expenses	7	(58,459)	(56,955)
Credit impairment losses	8	(214,738)	(144,149)
Fair value change of loans to customers		(624,104)	(592,304)
Other gains, net	9	140	21,686
Operating profit		279,447	154,417
Share of net loss of associates accounted for using the equity method		(3,933)	(1,876)
Profit before income tax		275,514	152,541
Income tax	10	(59,525)	(32,198)
Profit for the period attributable to:			
Owners of the Company		215,990	120,345
Non-controlling interests		(1)	(2)
		215,989	120,343

	<i>Notes</i>	Six months ended June 30,	
		2025	2024
		RMB'000	RMB'000
		(Unaudited)	(Unaudited)
Other comprehensive income/(loss)			
Exchange differences on translation of foreign operations		27,856	(2,087)
Total comprehensive income for the period, net of tax		243,845	118,256
Total comprehensive income attributable to:			
Owners of the Company		243,846	118,258
Non-controlling interests		(1)	(2)
		243,845	118,256
Basic earnings per Share (RMB yuan)	11	0.44	0.25
Diluted earnings per Share (RMB yuan)	11	0.44	0.25
Non-IFRS Measures			
Non-IFRS Adjusted Operating Profit ⁽¹⁾		281,353	154,763
Non-IFRS Adjusted Net Profit ⁽²⁾		217,895	120,689
Non-IFRS Adjusted basic earnings per Share (RMB yuan) ⁽³⁾		0.45	0.25

Notes:

- (1) Non-IFRS Adjusted Operating Profit is defined as operating profit for the applicable Period 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 applicable Period 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 applicable Period.

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		As at June 30, 2025	As at December 31, 2024
	<i>Notes</i>	RMB'000 (Unaudited)	<i>RMB'000</i> (Audited)
Assets			
Cash and cash equivalents	12(a)	1,636,366	1,693,418
Restricted cash	12(b)	685,684	634,575
Loans to customers	13	8,360,232	6,247,054
Contract assets	14	529,252	411,511
Guarantee receivables	15	1,388,378	1,113,142
Financial investments at fair value through profit or loss		68,237	54,376
Investments accounted for using the equity method		21,205	21,585
Deferred tax assets		716,967	637,425
Right-of-use assets		27,499	41,087
Intangible assets		35,022	38,739
Property and equipment		91,920	96,496
Other assets		945,138	716,943
Total assets		14,505,900	11,706,351
Liabilities			
Current tax liabilities		186,151	238,971
Guarantee liabilities	15	1,320,274	895,801
Lease liabilities		28,366	42,453
Borrowings	16	7,298,396	5,089,182
Notes payable		110,357	184,840
Deferred tax liabilities		13,872	15,000
Other liabilities		797,071	633,177
Total liabilities		9,754,487	7,099,424
Equity			
Share capital		40,067	40,067
Share premium		5,108,773	5,198,001
Treasury shares		(14,461)	(3,189)
Other reserves		781,193	752,196
Accumulated losses		(1,165,569)	(1,381,559)
Non-controlling interests		1,410	1,411
Total equity		4,751,413	4,606,927
Total liabilities and equity		14,505,900	11,706,351

NOTES

1 General information

The Company was incorporated in the British Virgin Islands (the “**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 the People’s Republic of China (the “**PRC**”) and the Hong Kong Special Administrative Region of the PRC (“**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 June 30, 2025, the number of ordinary shares of the Company in issue was 489,459,789, with a par value of HK\$0.10 per Share.

The interim condensed consolidated financial information is presented in Renminbi (“**RMB**”), unless otherwise stated.

The interim condensed consolidated financial information has been approved and authorised for issue by the Board on August 25, 2025.

2 Basis of preparation of the interim report

These interim condensed consolidated financial information for the sixth-month reporting period ended June 30, 2025 has been prepared in accordance with International Accounting Standard (“**IAS**”) 34 “Interim Financial Reporting” issued by the International Accounting Standards Board.

The interim condensed consolidated financial information does not include all of the notes normally included in an annual consolidated financial statements. Accordingly, the interim condensed consolidated financial information should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2024, which have been prepared in accordance with IFRS Accounting Standards, and any public announcements made by the Group during the six months ended June 30, 2025.

3 Material accounting policies

3.1 New standards and amendments adopted by the Group

Except as described below, the accounting policies and method of computation used in the preparation of the interim condensed consolidated financial information are consistent with those used in the annual financial statements for the year ended December 31, 2024.

The following standards and interpretations apply for the first time to financial reporting periods commencing on or after January 1, 2025:

		Effective for the annual periods beginning on or after
Amendments to IAS 21	Lack of Exchangeability	January 1, 2025

The Group adopted these amendments on January 1, 2025 and noted no material impact on the Group's financial position or performance.

3.2 New standards and amendments that have relevance to the Group not yet adopted by the Group

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

The Group does not expect that adoption of these standards will have a significant impact on the Group's financial position or performance.

4 Net interest and similar income

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Interest and similar income		
Loans to customers at fair value through profit or loss	1,067,748	1,062,989
Loans to customers at amortised cost	21,772	5,287
	<u>1,089,520</u>	<u>1,068,276</u>
Less: interest expenses		
Payable to trust plan holders	(130,117)	(173,604)
Bank borrowings	(12,771)	(15,073)
Notes payable	(9,639)	(4,613)
Borrowings from other financial institutions	(478)	–
	<u>(153,005)</u>	<u>(193,290)</u>
Net interest and similar income	<u>936,515</u>	<u>874,986</u>

5 Loan facilitation service fees

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Upfront loan facilitation service fees	814,151	566,557
Post loan facilitation service fees	455,660	373,067
	<u>1,269,811</u>	<u>939,624</u>

6 Other income/(expenses)

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Technology and platform service fees	215,253	76,456
Government grants	33,814	56,263
Gains/(losses) from guarantee	21,523	(234,706)
Penalty and other charges	17,210	16,939
Others	5,782	8,795
	<u>293,582</u>	<u>(76,253)</u>

7 Expenses by nature

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Loan origination and servicing expenses	(992,566)	(549,759)
Employee benefit expenses	(224,798)	(198,149)
Professional service fees	(47,639)	(38,949)
Office expenses	(40,389)	(33,258)
Depreciation and amortisation	(17,144)	(14,209)
Depreciation of right-of-use assets	(15,360)	(15,726)
Branding expenses	(15,163)	(5,886)
Tax and surcharge	(11,742)	(11,995)
Others	(16,958)	(1,242)
Total origination and servicing expenses, sales and marketing expenses, general and administrative expenses, and research and development expenses	<u>(1,381,759)</u>	<u>(869,173)</u>

8 Credit impairment losses

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Guarantee receivables	(127,912)	(98,607)
Contract assets	(63,965)	(42,850)
Loans to customers at amortised cost	(18,908)	(4,879)
Other assets	(3,281)	2,672
Restricted cash	(672)	(323)
Cash and cash equivalents	–	(162)
	<u>(214,738)</u>	<u>(144,149)</u>

9 Other gains, net

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Unaudited)
Bank interest income	14,992	8,840
Gains from financial investments at fair value through profit or loss	4,379	21,573
Interest expense on lease liabilities	(985)	(1,605)
Bank charges	(1,097)	(405)
Exchange losses	(17,149)	(6,717)
	<u>140</u>	<u>21,686</u>

10 Income tax

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Current income tax	(140,195)	(165,753)
Deferred income tax	80,670	133,555
	<u>(59,525)</u>	<u>(32,198)</u>

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

	Six months ended June 30,	
	2025	2024
	(Unaudited)	(Unaudited)
Earnings attributable to owners of the Company (<i>RMB'000</i>)	215,990	120,345
Non-IFRS Adjusted Net Profit (<i>RMB'000</i>)	217,895	120,689
Weighted average number of Shares for calculation of the basic earnings per Share (<i>'000</i>)	<u>487,126</u>	<u>488,088</u>
Weighted average number of Shares for calculation of the diluted earnings per Share (<i>'000</i>)	<u>490,297</u>	<u>489,959</u>
Basic earnings per Share (<i>RMB yuan</i>)	<u>0.44</u>	<u>0.25</u>
Diluted earnings per Share (<i>RMB yuan</i>)	<u>0.44</u>	<u>0.25</u>
Non-IFRS Adjusted basic earnings per Share (<i>RMB yuan</i>)	<u>0.45</u>	<u>0.25</u>

- 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 Period and the Corresponding Period, respectively.
- 11.2 For the Period and the Corresponding Period, 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 Period and the Corresponding Period, respectively.

12 Cash and bank balances

(a) Cash and cash equivalents

	As at June 30, 2025	As at December 31, 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Cash on hand	1	2
Cash at bank	1,601,951	1,680,836
Cash held through platform	34,433	12,599
Less: ECL allowance	(19)	(19)
	<u>1,636,366</u>	<u>1,693,418</u>

(b) Restricted cash

	As at June 30, 2025	As at December 31, 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Deposits to funding partners	427,850	327,629
Deposits for borrowings	261,026	309,466
Less: ECL allowance	(3,192)	(2,520)
	<u>685,684</u>	<u>634,575</u>

13 Loans to customers

	As at June 30, 2025	As at December 31, 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Loans to customers at fair value through profit or loss (a)	8,165,404	6,106,530
Loans to customers at amortised cost (b)	<u>194,828</u>	<u>140,524</u>
	<u>8,360,232</u>	<u>6,247,054</u>

13 Loans to customers (continued)

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

As at June 30, 2025 and December 31, 2024, 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 June 30, 2025	As at December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Within 1 year (including 1 year)	8,071,228	5,937,401
1 to 2 years (including 2 years)	94,176	169,129
	<u>8,165,404</u>	<u>6,106,530</u>

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

	As at June 30, 2025	As at December 31, 2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Overdue	100,999	77,296
Within 1 year (including 1 year)	8,027,057	5,933,181
1 to 2 years (including 2 years)	37,348	96,053
	<u>8,165,404</u>	<u>6,106,530</u>

13 Loans to customers (continued)

(b) Loans to customers at amortised cost

	As at June 30, 2025	As at December 31, 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Loans to customers at amortised cost	221,342	160,254
Accrued interest	2,221	1,630
	223,563	161,884
Less: ECL allowance	(28,735)	(21,360)
	194,828	140,524

As at June 30, 2025 and December 31, 2024, all loans to customers at amortised cost are unsecured.

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

	As at June 30, 2025	As at December 31, 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Within 1 year (including 1 year)	145,708	111,519
1 to 2 years (including 2 years)	67,134	46,575
Over 2 years	10,721	3,790
	223,563	161,884

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

	As at June 30, 2025	As at December 31, 2024
	<i>RMB'000</i> (Unaudited)	<i>RMB'000</i> (Audited)
Overdue	18,324	12,156
Within 1 year (including 1 year)	141,850	109,148
1 to 2 years (including 2 years)	53,304	37,092
Over 2 years	10,085	3,488
	223,563	161,884

14 Contract assets

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

	As at June 30, 2025	As at December 31, 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Contract assets	632,084	488,059
Less: ECL allowance	(102,832)	(76,548)
	<u>529,252</u>	<u>411,511</u>

15 Guarantee receivables and guarantee liabilities

	As at June 30, 2025	As at December 31, 2024
	RMB'000	RMB'000
	(Unaudited)	(Audited)
Guarantee receivables	1,616,919	1,292,743
Less: ECL allowance	(228,541)	(179,601)
	<u>1,388,378</u>	<u>1,113,142</u>

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

	Six months ended June 30, 2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Guarantee receivables		
Opening balance	1,113,142	1,317,024
Addition arising from new business	1,760,695	1,196,504
ECL	(127,912)	(98,607)
Reversal due to early repayment	(110,100)	(58,786)
Payment received from borrowers	(1,247,447)	(1,357,437)
Ending balance	<u>1,388,378</u>	<u>998,698</u>

15 Guarantee receivables and guarantee liabilities (continued)

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

	Six months ended June 30,	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Guarantee liabilities		
Opening balance	895,801	1,533,883
Addition arising from new business	1,760,695	1,196,504
Release of the margin	(122,688)	(88,347)
ECL remeasurement	101,165	323,053
Reversal due to early repayment	(110,100)	(58,786)
Payouts during the period, net	(1,204,599)	(1,882,736)
Ending balance	1,320,274	1,023,571

16 Borrowings

Our total borrowings, as recorded in our interim condensed consolidated statement of financial position, comprise (i) payable to trust plan holders; (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	As at
	June 30,	December 31,
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Audited)
Secured		
Bank borrowings	328,505	302,426
Borrowings from other financial institutions	10,961	11,146
Unsecured		
Payable to trust plan holders	6,676,362	4,632,391
Bank borrowings	282,568	143,219
	7,298,396	5,089,182

16 Borrowings (continued)

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

	As at June 30, 2025	As at December 31, 2024
	(Unaudited)	(Audited)
Payable to trust plan holders	3.80%~5.70%	3.80%~6.50%
Bank borrowings	2.25%~6.50%	4.00%~6.60%
Borrowings from other financial institutions	<u>6.03%~10.03%</u>	<u>9.20%~10.03%</u>

The following table sets forth the contractual maturities of borrowings as at the dates indicated:

	As at June 30, 2025	As at December 31, 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Within 1 year (including 1 year)	2,995,926	3,001,542
1 to 2 years (including 2 years)	<u>4,302,470</u>	<u>2,087,640</u>
	<u>7,298,396</u>	<u>5,089,182</u>

The following table sets forth the repayment schedule of borrowings as at the dates indicated:

	As at June 30, 2025	As at December 31, 2024
	RMB'000 (Unaudited)	RMB'000 (Audited)
Within 1 year (including 1 year)	6,819,596	4,569,702
1 to 2 years (including 2 years)	<u>478,800</u>	<u>519,480</u>
	<u>7,298,396</u>	<u>5,089,182</u>

Gearing ratio

As at June 30, 2025, our gearing ratio, calculated as total liabilities divided by total assets, was approximately 67.2%, representing an increase of 6.6% as compared with 60.6% as at December 31, 2024.

As at June 30, 2025, 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 1.8x, as compared with 1.3x as at December 31, 2024.

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 therefore has the obligation to fund the losses, if any, in accordance with the guarantee agreements even if the Group does not have any investment in those products. The Group concludes that these structured entities shall be consolidated.

As at June 30, 2025, remaining injected funds of the trust plans consolidated by the Group amounted to RMB7.29 billion (December 31, 2024: RMB5.08 billion).

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

18 Commitments

The Group did not have any other significant commitments as at June 30, 2025 other than those mentioned above.

19 Dividends

On August 25, 2025, the Board recommended the distribution of an interim dividend of HK5 cents per Share for the Period (for the six months ended June 30, 2024: Nil) to Shareholders on the register of members of the Company (the “**Register of Members**”) on Monday, October 20, 2025, amounting to approximately HK\$24.5 million from the share premium account of the Company, subject to the approval of the Shareholders at the EGM expected to be held on or around Thursday, October 9, 2025.

20 Subsequent events

Since the end of the reporting period, the Board proposed an interim dividend. Further details are disclosed in Note 19.

21 Foreign exchange exposure

Foreign currency transactions during the Period 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 June 30, 2025. Exchange gains and losses are recognised 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. Interim condensed consolidated statement of financial position items are translated into RMB at the closing foreign exchange rates prevailing as at June 30, 2025. The resulting exchange differences are recognised 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 recognised.

22 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.

INTERIM DIVIDEND

The Board has recommended the distribution of an interim dividend of HK5 cents per Share for the Period (for the six months ended June 30, 2024: Nil) to Shareholders on the Register of Members on Monday, October 20, 2025, amounting to approximately HK\$24.5 million from the share premium account of the Company, subject to the approval of Shareholders at the EGM. If approved by Shareholders at the EGM, the interim dividend will be payable on or around Monday, November 10, 2025.

CLOSURE OF REGISTER OF MEMBERS

The Register of Members will not be closed for the purpose of ascertaining the right of Shareholders to attend and vote at the EGM. To be eligible and attend and vote at the EGM, all 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, October 2, 2025.

To determine the entitlement to the proposed interim dividend, the Register of Members will be closed from Friday, October 17, 2025 to Monday, October 20, 2025, both days inclusive, during which period no transfers of Shares shall be effected. The record date will be Monday, October 20, 2025. To be eligible to receive the interim dividend, all 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, October 16, 2025.

DIRECTORS' AND EMPLOYEES' REMUNERATION AND POLICY

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

As at June 30, 2025, the Group had a total of 926 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 Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong) 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, throughout the Period, 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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

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 Period.

REVIEW OF UNAUDITED INTERIM FINANCIAL RESULTS

The audit committee of the Company has reviewed these unaudited interim results, including the accounting principles and practices adopted by the Company, and discussed these unaudited interim results with senior management of the Company. These unaudited interim results have been reviewed by the auditor of the Company.

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

Hong Kong, August 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.