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## **Vala Inc.**

*(formerly known as 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 INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025**

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

#### **FINANCIAL HIGHLIGHTS**

	<b>For the six months ended 30 June</b>		
	<b>2025</b>	<b>2024</b>	
	<b>RMB’000</b>	<b>RMB’000</b>	<b>Change</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>	
	<b>(approximate)</b>	<b>(approximate)</b>	<b>(approximate)</b>
<b>Revenue</b>	<b>135,651</b>	116,568	16.4%
Valalife business	<b>50,272</b>	8,624	482.9%
Credit facilitation and service fee	<b>25,999</b>	29,433	(11.7%)
SaaS service fee	<b>21,068</b>	46,029	(54.2%)
Children’s entertainment revenue	<b>16,750</b>	11,338	47.7%
Credit card technology service fee	<b>172</b>	1,328	(87.0%)
Other revenue	<b>21,390</b>	19,816	7.9%
<b>Operating loss for the period</b>	<b>(49,608)</b>	(34,084)	45.5%
<b>Net loss for the period</b>	<b>(50,870)</b>	(48,129)	5.7%
<b>Non-IFRS measures</b>			
<b>Non-IFRS adjusted operating loss for the period<sup>(1)</sup></b>	<b>(29,567)</b>	(31,549)	(6.3%)
<b>Non-IFRS adjusted net loss for the period<sup>(2)</sup></b>	<b>(29,967)</b>	(34,102)	(12.1%)

*Notes:*

- (1) Non-IFRS adjusted operating loss for the period is defined as operating loss for the six months ended 30 June 2025 and 2024 excluding share-based compensation expenses, fair value loss of financial assets at fair value through profit or loss (“**FVPL**”), loss on disposal of property, plant and equipment, loss on the disposal of subsidiaries and other losses. For more details, please refer to the section headed “FINANCIAL REVIEW — Non-IFRS measures” of this announcement.
- (2) Non-IFRS adjusted net loss for the period is defined as net loss for the six months ended 30 June 2025 and 2024 excluding share-based compensation expenses, fair value loss of financial assets/liabilities at FVPL, loss on disposal of property, plant and equipment, loss on the disposal of subsidiaries and other losses. For more details, please refer to the section headed “FINANCIAL REVIEW — Non-IFRS measures” of this announcement.
- (3) No interim dividend was declared for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group has created a WeChat Mini Program named “valalife” for vala vehicles, which aims to provide various ordering and cooperation plans for customers purchasing vala’s vehicles. As at 30 June 2025, the valalife WeChat Mini Program had approximately 67 thousand cumulative registered users, up from approximately 37 thousand as at 31 December 2024. The Group operates a widely-used credit card management platform, 51 Credit Card Manager App (the “**51 Credit Card Manager**”). As at 30 June 2025, the number of registered users of 51 Credit Card Manager and the number of credit cards we had managed cumulatively remained basically the same as those as at 31 December 2024, at approximately 88.8 million and approximately 152.5 million respectively. The Group’s commercial information searching tool, Little Blue Book App (the “**Little Blue Book**”), aims to provide users with valuable commercial information. As at 30 June 2025, the Little Blue Book had approximately 7.0 million registered users.

The Group’s Valalife business has continued to expand in the first half of 2025, supported by the multi-dimensional strategy for the vala vehicle across product definition, joint R&D, the vehicle sales network, and the after-sales user community. The vala vehicle, launched by the Group in 2024, is China’s first new-energy multi-purpose vehicle with a factory-installed pop-up roof. It embodies the core philosophy of “redefining the vehicle lifestyle”, and is dedicated to transforming cars from mere transport tools into multi-functional, mobile spaces. The vala vehicle pioneers the integration of three core elements: a tent-like sloping roof structure, a Lego-style modular design, and a high-quality entertainment system, creating a unique, mobile, composite-scenario space.

As a lifestyle platform, the vala vehicle provides users with a highly personalized mobile living space. Within it, users can engage in a variety of life scenarios such as office negotiations, business conferences, parent-child entertainment, dining and resting, social gatherings, watching movies, karaoke, outdoor camping and travel, thereby significantly extending the boundaries and possibilities of urban lifestyles.

As a production tool, the vala vehicle can be flexibly converted into a range of commercial spaces such as a mobile store, a coffee truck, a beauty salon, or a market stall, which effectively expands users’ business scenarios and service capabilities, making it an innovative production tool that empowers mobile commerce.

Vala's true core competitive advantage also comes from the co-creator system it has built. Each car owner is more than just a user; they're a "mobile business operator" in their city. They can set up coffee carts, bakeries, or pop-up shops at campsites, create themed camping spaces at scenic areas, or participate in local cultural and tourism projects. This allows them to operate on a "your car is your business" entrepreneurship model. For the six months ended 30 June 2025, the Group had successfully recruited 131 co-creators for vala. These individuals use their firsthand experience with vala's vehicles and their influence on social platforms and offline to promote and sell vala vehicle. As more co-creators collaborate with the Group and delivery volumes gradually increase, vala's mobile showroom model is beginning to take shape. To better meet the vehicle viewing needs of potential customers, our co-creators have collectively opened 13 vala experience centres nationwide. These centres are operated independently by co-creators at their own business premises. They benefit from low setup costs and flexible layouts, which helps vala quickly expand its market coverage and brand influence.

Currently, we have commenced mass delivery of the vala Pro model co-developed with Beijing Automobile Works Co., Ltd.; in addition, the Group has signed cooperation agreements with Chongqing Ruichi Automobile Industry Co., Ltd., a subsidiary of Seres Group Co., Ltd., and Henan Automotive Investment Group Limited\* (河南省汽車產業投資集團有限公司) to jointly develop new collaborative vehicle models, further deepening vala's strategic positioning in the automotive industry.

The overall performance of the Little Blue Book business remained stable with steady progress in the first half of 2025. We continue to deepen our efforts in vertical industry versions, replicating the successful experience of previous versions. Following in-depth preliminary market research and integrating both DeepSeek and Doubao AI engines, we iterated the cross-border logistics industry version on 18 February 2025, aiming to provide a more comprehensive one-stop marketing solution for cross-border logistics industry clients. We not only possess more comprehensive cross-border e-commerce data resources, but can also leverage AI + big data technology to deeply analyse import and export data and industrial chains. Simultaneously, by integrating functions such as map-based customer acquisition, intelligent networking, and CRM customer management, we have truly achieved a full-process closed loop from customer acquisition to customer management. Currently, the Little Blue Book Cross-border Logistics Edition covers over 200 countries and regions worldwide, with hundreds of millions of import and export trade data. Coupled with its panoramic industry chain function, it can accurately identify the cooperation network and potential demands of enterprises on the chain.

As for the credit facilitation business, given the anticipated impact of the Notice on Strengthening the Management of the Internet Loan Facilitation Business of Commercial Banks and Improving the Quality and Efficiency of Financial Services issued by the National Financial Regulatory Administration of China in the first half of 2025, we further reduced the overall scale of the credit facilitation business to lower business risks, resulting in a decline in the overall scale of the credit facilitation business.

For the six months ended 30 June 2025, our revenue was approximately RMB135.7 million, representing an increase of approximately 16.4% from approximately RMB116.6 million for the six months ended 30 June 2024; the Group's operating loss was approximately RMB49.6 million, representing an increase of approximately 45.5% as compared to the operating loss of approximately RMB34.1 million for the six months ended 30 June 2024; and the Group's net loss increased by approximately 5.7% from a loss of approximately RMB48.1 million for the six months ended 30 June 2024 to approximately RMB50.9 million for the six months ended 30 June 2025.

As for non-IFRS measures, for the six months ended 30 June 2025, our non-IFRS adjusted operating loss was approximately RMB29.6 million, representing a decrease of approximately 6.3% from approximately RMB31.6 million for the six months ended 30 June 2024; and our non-IFRS adjusted net loss decreased by approximately 12.1% from approximately RMB34.1 million for the six months ended 30 June 2024 to approximately RMB30.0 million for the six months ended 30 June 2025. 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.

	For the six months ended 30 June				Period-on-
	2025		2024		period change
	<i>RMB'000</i>	<i>Percentage of</i>	<i>RMB'000</i>	<i>Percentage of</i>	<i>Percentage</i>
	<i>(approximate)</i>	<i>revenue</i>	<i>(approximate)</i>	<i>revenue</i>	<i>(approximate)</i>
Revenue	135,651	100.0%	116,568	100.0%	16.4%
Valalife business	50,272	37.1%	8,624	7.4%	482.9%
Credit facilitation and service fee	25,999	19.2%	29,433	25.2%	(11.7%)
SaaS service fee	21,068	15.5%	46,029	39.5%	(54.2%)
Children's entertainment business	16,750	12.3%	11,338	9.7%	47.7%
Credit card technology service fee	172	0.1%	1,328	1.2%	(87.0%)
Other revenue	21,390	15.8%	19,816	17.0%	7.9%
Operating loss for the period	(49,608)		(34,084)		45.5%
Net loss for the period	(50,870)		(48,129)		5.7%
Non-IFRS adjusted operating loss for the period	(29,567)		(31,549)		(6.3%)
Non-IFRS adjusted net loss for the period	(29,967)		(34,102)		(12.1%)

*Notes:*

- (1) Non-IFRS adjusted operating loss for the period is defined as operating loss for the six months ended 30 June 2025 and 2024 excluding share-based compensation expenses, fair value loss of financial assets at fair value through profit or loss (“FVPL”) , loss on the disposal of property, plant and equipment, loss on the disposal 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 period is defined as net loss for the six months ended 30 June 2025 and 2024 excluding share-based compensation expenses, fair value loss of financial assets/liabilities at FVPL, loss on the disposal of property, plant and equipment, loss on the disposal of subsidiaries and other losses. For details, please refer to the section headed “Non-IFRS measures” below.

## **1. Valalife business**

The Group has actively expanded the vehicle business derived from the camping business, and combined the two to establish the Valalife business. The Valalife business mainly obtains sales revenue and leasing income through the sales of vala vehicles and the provision of vala vehicle leasing business to customers. Revenue from the Valalife business increased by approximately 482.9% from approximately RMB8.6 million for the six months ended 30 June 2024 to approximately RMB50.3 million for the six months ended 30 June 2025.

## **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 an intelligent sales growth cloud platform that generates subscription income from corporate customers and individual users. Our smart retail business mainly provides new retail digitalization transformation solutions to chain retail enterprises and merchants, and generates income based on customer usage (such as transaction amount and cloud service usage). The bank operations management business mainly provides full-spectrum back-office operation management services to financial institutions such as banks. Revenue from the SaaS business decreased by approximately 54.2% to approximately RMB21.1 million for the six months ended 30 June 2025 from approximately RMB46.0 million for the six months ended 30 June 2024, primarily due to the significant decrease in revenue from smart retail business operated by China Netcom Technology Holdings Limited (“**China Netcom**”), a former subsidiary of the Company. Due to the Group’s strategic adjustment, the Group completed a placing of certain shares held in China Netcom on 9 June 2025, immediately upon which the Company indirectly held approximately 29.00% of the total issued share capital of China Netcom. From 9 June 2025 and up to 30 June 2025, China Netcom has been accounted for as an associate in the Group’s consolidated financial statements. For further details about the Group’s disposal of its shares held in China Netcom (including the said placing), please refer to the sections headed “Material Acquisition and Disposal” and “Events after the Reporting Period” in this announcement.

### 3. Credit Facilitation Service

For the six months ended 30 June 2025, 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 prices to fill a gap in the 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 partner financial institutions of the funders by providing credit facilitation services and receives service fees upon successful drawdown of loans by Target Borrowers and guarantee fees upon loan repayment by the Target Borrowers. We also provide credit enhancement to partner financial institutions through a licensed financial guarantee company within the Group.

For the six months ended 30 June 2025, the total volume of credit facilitation business was approximately RMB452.1 million, all conducted in cooperation with financial institutions, representing a decrease of approximately 22.8% from approximately RMB585.7 million in the six months ended 30 June 2024, mainly due to the adjustment of the Group's operational 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 during the first half of 2025 was approximately 4.7%, and the 30-day collection rate of overdue assets was approximately 78.1%. The average tenure of loans increased to approximately 9.3 months for the six months ended 30 June 2025 from approximately 9.0 months in the six months ended 30 June 2024, and the average loan amount decreased to approximately RMB6,700 for the six months ended 30 June 2025 from approximately RMB7,500 for the six months ended 30 June 2024.

### 4. Children's Entertainment Business

The Group's children's entertainment business established in 2024 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. Revenue from the children's entertainment business increased by approximately 47.7% to approximately RMB16.8 million for the six months ended 30 June 2025 from approximately RMB11.3 million for the six months ended 30 June 2024.



## OUTLOOK

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

For the Valalife business, during the six months ended 30 June 2025, vala vehicle has covered 26 provinces and over 100 cities nationwide. With the continuous delivery of vala Pro vehicle models and the implementation of more scenario-based ecosystems, the business landscape of vala is expanding further. Following the approval by the shareholders of the Company by way of a special resolution at the annual general meeting of the Company held on 5 June 2025, the Certificate of Incorporation on Change of Name was issued by the Registrar of Companies in the Cayman Islands on 11 June 2025, and the Company officially changed its name from “51 Credit Card Inc.” to “Vala Inc.” and ceased to adopt the dual foreign name “51信用卡有限公司” in Chinese with effect from 11 June 2025. This change of Company name not only marks a comprehensive upgrade of the Group’s brand system, but also establishes the new energy mobile lifestyle brand, vala, as the strategic core for our future development, proactively expanding into new areas of scenario-based and extensible lifestyles with consumer potential. Looking ahead, vala will use automobiles as a platform, building an ecosystem to foster a user community. By leveraging user feedback to drive continuous product iteration, the Group’s future is committed to creating a richer mobile lifestyle and leading a new generation of electric vehicle experiences.

For the SaaS business, the Little Blue Book is devoted to developing artificial intelligence engine optimization technology based on AI search engines, helping enterprises reduce promotion costs and improve conversion efficiency across major AI search platforms. Through this technology, we hope to inject intelligent impetus into the digital transformation of the broad spectrum of small and medium-sized enterprises, thereby achieving further overall revenue growth. Moreover, the Little Blue Book is gradually integrating with channels such as Alibaba Model Studio, MCP service channels, ByteDance’s Coze, and DingTalk’s third-party application service marketplace, aiming to provide the Little Blue Book with more opportunities to showcase itself and reach customers, thereby acquiring more market leads.

For the credit facilitation business, we will gradually shift to a light-asset operating model such as loan referral services, in compliance with the latest industry regulations and in conjunction with our risk control measures.

## FINANCIAL INFORMATION

The unaudited condensed consolidated interim results of the Group for the six months ended 30 June 2025, together with the comparative figures for the six months ended 30 June 2024 are set out as below.



**CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
COMPREHENSIVE LOSS**

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
	<i>Notes</i>	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
Valalife service fee		<b>50,272</b>	8,624
Credit facilitation and service fee	2	<b>25,999</b>	29,433
SaaS service fee		<b>21,068</b>	46,029
Children's entertainment revenue		<b>16,750</b>	11,338
Credit card technology service fee		<b>172</b>	1,328
Other revenue	3	<b>21,390</b>	19,816
<b>Total revenue</b>		<b>135,651</b>	116,568
Origination and servicing expenses	4	<b>(125,505)</b>	(108,737)
General and administrative expenses	4	<b>(28,153)</b>	(26,919)
Research and development expenses	4	<b>(21,074)</b>	(28,025)
Sales and marketing expenses	4	<b>(33,269)</b>	(19,091)
Expected credit loss, net	5	<b>(7,719)</b>	(33,749)
Other gain, net	6	<b>30,461</b>	65,869
<b>Total operating expenses</b>		<b>(185,259)</b>	(150,652)
<b>Operating loss</b>		<b>(49,608)</b>	(34,084)
Share of net loss of associates accounted for using equity method		<b>(939)</b>	(115)
Fair value loss of financial liabilities at fair value through profit or loss		<b>(862)</b>	(11,492)
Finance income, net		<b>73</b>	719
<b>Loss before income tax</b>		<b>(51,336)</b>	(44,972)
Income tax credit/(expense)	7	<b>466</b>	(3,157)
<b>Loss for the period</b>		<b>(50,870)</b>	(48,129)

		<b>Six months ended 30 June</b>	
		<b>2025</b>	<b>2024</b>
<i>Notes</i>		<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>Loss for the period attributable to:</b>			
— Owners of the Company		<b>(47,258)</b>	(42,165)
— Non-controlling interests		<b>(3,612)</b>	(5,964)
		<b><u>(50,870)</u></b>	<b><u>(48,129)</u></b>
<b>Other comprehensive income</b>			
<i>Items that may not be reclassified to profit or loss:</i>			
Change in fair value attributable to			
change in the credit risk of other financial liability			
designated at fair value through profit or loss			
		<b>431</b>	630
Currency translation differences		<b>570</b>	4,235
		<b><u>(49,869)</u></b>	<b><u>(43,264)</u></b>
<b>Total comprehensive loss for the period, net of tax</b>			
<b>Total comprehensive loss attributable to:</b>			
— Owners of the Company		<b>(46,399)</b>	(38,359)
— Non-controlling interests		<b>(3,470)</b>	(4,905)
		<b><u>(49,869)</u></b>	<b><u>(43,264)</u></b>
<b>Loss per share attributable to owners</b>			
<b>of the Company — basic and diluted (<i>expressed in RMB cent per share</i>):</b>			
Loss for the period — basic and diluted	8	<b><u>(3.07)</u></b>	<b><u>(3.45)</u></b>

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

**CONDENSED CONSOLIDATED INTERIM STATEMENT OF  
FINANCIAL POSITION**

		As at <b>30 June</b> <b>2025</b> <i>RMB'000</i> <b>(Unaudited)</b>	As at 31 December 2024 <i>RMB'000</i> <b>(Audited)</b>
	<i>Notes</i>		
<b>NON-CURRENT ASSETS</b>			
Property and equipment, net		<b>151,524</b>	154,262
Right-of-use assets		<b>7,600</b>	9,682
Intangible assets	<i>9</i>	<b>1,594</b>	36,320
Investments accounted for using equity method		<b>58,631</b>	16,018
Financial assets at fair value through profit or loss		<b>66,714</b>	68,256
Deferred income tax assets		<b>15,335</b>	15,276
Prepayments and other receivables	<i>10</i>	<b>641</b>	641
<b>Total non-current assets</b>		<b>302,039</b>	300,455
<b>CURRENT ASSETS</b>			
Inventory		<b>21,274</b>	4,360
Quality assurance fund receivable	<i>11</i>	<b>10,693</b>	9,772
Contract assets	<i>12</i>	<b>22,734</b>	24,465
Trade receivables	<i>13</i>	<b>39,087</b>	51,383
Prepayments and other receivables	<i>10</i>	<b>137,200</b>	122,051
Loans to customers, net		<b>189,837</b>	193,772
Restricted cash		<b>83,081</b>	89,167
Cash and cash equivalents		<b>161,039</b>	280,326
<b>Total current assets</b>		<b>664,945</b>	775,296
<b>Total assets</b>		<b>966,984</b>	1,075,751

		As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
	<i>Notes</i>		
<b>EQUITY AND LIABILITIES</b>			
Share capital		110	110
Reserves		<u>756,211</u>	<u>802,587</u>
<b>Equity attributable to owners of the Company</b>		<b>756,321</b>	<b>802,697</b>
Non-controlling interests		<u>(7,004)</u>	<u>(23,175)</u>
<b>Total equity</b>		<b><u>749,317</u></b>	<b><u>779,522</u></b>
<b>LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<u>5,500</u>	<u>7,189</u>
<b>Total non-current liabilities</b>		<b><u>5,500</u></b>	<b><u>7,189</u></b>
<b>CURRENT LIABILITIES</b>			
Quality assurance fund payable	11	26,342	23,359
Payable to platform customers		46,453	48,755
Contract liabilities	12	19,622	25,609
Bank and other borrowings		500	59,820
Lease liabilities		1,494	2,034
Trade and other payables	14	31,318	43,456
Financial liabilities at fair value through profit or loss		<u>86,438</u>	<u>86,007</u>
<b>Total current liabilities</b>		<b><u>212,167</u></b>	<b><u>289,040</u></b>
<b>Total liabilities</b>		<b><u>217,667</u></b>	<b><u>296,229</u></b>
<b>Total equity and liabilities</b>		<b><u>966,984</u></b>	<b><u>1,075,751</u></b>

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

## NOTES

### 1 MATERIAL ACCOUNTING POLICY INFORMATION

#### 1.1 Basis of Preparation

This condensed consolidated interim financial information for the six months ended 30 June 2025 has been prepared in accordance with International Accounting Standard (“IAS”) 34 “Interim financial reporting” issued by the International Accounting Standards Board (“IASB”). The condensed consolidated interim financial information does not include all the notes of the type normally included in an annual financial report. Accordingly, this interim financial information should be read in conjunction with the consolidated financial statements for the year ended 31 December 2024, which have been prepared in accordance with IFRS Accounting Standards, and any public announcements made by the Group during the six months ended 30 June 2025.

#### 1.2 Adoption of New and Revised IFRS Accounting Standards

In the current period, the Group has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. IFRS Accounting Standards comprise International Financial Reporting Standards (“IFRS”); International Accounting Standards (“IAS”); and Interpretations. 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 period 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 will not have material impact on the financial statements of the Group.

### 2 CREDIT FACILITATION AND SERVICE FEE

	Six months ended 30 June	
	2025	2024
	<b>RMB’000</b>	<b>RMB’000</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Upfront credit facilitation service fee	<b>13,064</b>	14,267
Post credit facilitation service fee	<b>12,935</b>	15,166
	<b>25,999</b>	29,433

*Note:* The unsatisfied performance obligation as at 30 June 2025 was approximately RMB17,008,000. Management expects that 100% of the transaction price allocated to the unsatisfied contracts as at 30 June 2025 will be recognized as revenue within the next twelve months.

### 3 OTHER REVENUE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Referral service fee	8,158	10,811
Overdue charges	2,466	3,322
Sales of automotive equipment	5,946	—
Others	4,820	5,683
	<u>21,390</u>	<u>19,816</u>

### 4 EXPENSES BY NATURE

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
Employee benefit expenses	55,355	52,675
External technical service fees	31,505	57,322
Depreciation and amortization	15,050	15,144
Professional service fees	4,602	8,645
Office expenses	6,106	5,669
Marketing and advertising fees	20,256	7,602
Camping operating fee	2,472	2,809
Vehicle business	49,210	17,077
Short-term lease	8,170	6,293
Fund transfer charges	368	343
Others	14,907	9,193
Total amount of origination and servicing expenses, general and administrative expenses, research and development expenses and sales and marketing expenses	<u>208,001</u>	<u>182,772</u>

*Note:* Incremental costs to obtain arrangements where the Group is not the loan originator are generally expensed off when incurred, because the amortization periods of these incremental costs are one year or less. These costs are recorded as sales and marketing expenses.



## 5 EXPECTED CREDIT LOSS, NET

The composition of ECL provided for six months ended 30 June 2025 and 2024 is as follows:

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Contract assets ( <i>Note 12</i> )	1,511	3,514
Prepayments and other receivables	1,024	3,897
Trade receivables ( <i>Note 13</i> )	1,216	3,812
Loans to customers, net	(264)	(148)
Quality assurance fund ( <i>Note 11</i> )	4,232	22,674
	<u>7,719</u>	<u>33,749</u>

## 6 OTHER GAIN, NET

	Six months ended 30 June	
	2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Government grants	268	—
Fair value (loss)/gain on financial assets at FVPL	(1,542)	349
Loss on disposal of property, plant and equipment	(575)	(2,837)
Loss on disposal of intangible assets	(394)	—
Loss on disposal of listed subsidiary ( <i>Note 16</i> )	(13,287)	—
Gain on disposal of unlisted subsidiary	608	—
Others ( <i>note a</i> )	45,383	68,357
	<u>30,461</u>	<u>65,869</u>

*Note:*

- (a) It mainly included the satisfactory recovery of overdue assets in the credit facilitation business of approximately RMB51.6 million (2024: RMB68.6 million) for the six months ended 30 June 2025.

## 7 INCOME TAX (CREDIT)/EXPENSE

The income tax (credit)/expense of the Group during the periods presented are analyzed as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
Current income tax	<b>2</b>	<b>31</b>
Deferred income tax	<b>(468)</b>	<b>3,126</b>
	<b>(466)</b>	<b>3,157</b>

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.

### **British Virgin Islands (“BVI”)**

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

### **Hong Kong (“HK”)**

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

### **Within the PRC**

The subsidiaries and variable interest entities of the Group established within the PRC are generally subject to the standard enterprise income tax rate of 25%, except for entities qualified as “High and New Technology Enterprise” which are entitled to the preferential income tax rate of 15%.

## 8 LOSS PER SHARE

- (a) Basic loss per share is calculated by dividing the loss for the period attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company ( <i>RMB'000</i> )	(47,258)	(42,165)
Weighted average number of ordinary shares in issue ( <i>'000</i> )	<u>1,541,856</u>	<u>1,221,240</u>
Basic loss per share ( <i>expressed in RMB cent</i> )	<u>(3.07)</u>	<u>(3.45)</u>

- (b) Diluted loss per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares.

As the Group incurred losses for the six months ended 30 June 2025 and 2024, the potential ordinary shares were not included in the calculation of dilutive losses per share, as their inclusion would be anti-dilutive. Accordingly, diluted losses per share for the six months ended 30 June 2025 and 2024 is the same as basic losses per share.

	Six months ended 30 June	
	2025	2024
	(Unaudited)	(Unaudited)
Loss attributable to owners of the Company ( <i>RMB'000</i> )	(47,258)	(42,165)
Weighted average number of ordinary shares in issue ( <i>'000</i> )	1,541,856	1,221,240
Weighted average number of ordinary shares for calculation of diluted loss per share ( <i>'000</i> )	<u>1,541,856</u>	<u>1,221,240</u>
Diluted loss per share ( <i>expressed in RMB cent</i> )	<u>(3.07)</u>	<u>(3.45)</u>

## 9 INTANGIBLE ASSETS

	<b>Goodwill</b> <i>RMB'000</i>	<b>Software</b> <i>RMB'000</i>	<b>Trademark</b> <i>RMB'000</i>	<b>Camping</b> <i>RMB'000</i>	<b>Total</b> <i>RMB'000</i>
<b>Cost</b>					
As at 1 January 2025 (Audited)	482,377	21,721	5,287	3,526	512,911
Additions from purchase (Unaudited)	—	—	71	—	71
Disposal of subsidiaries (Unaudited)	(482,377)	(160)	—	—	(482,537)
Disposal (Unaudited)	<u>—</u>	<u>(17,979)</u>	<u>(1,179)</u>	<u>(2,508)</u>	<u>(21,666)</u>
As at 30 June 2025 (Unaudited)	<u>—</u>	<u>3,582</u>	<u>4,179</u>	<u>1,018</u>	<u>8,779</u>
<b>Accumulated amortization</b>					
As at 1 January 2025 (Audited)	—	(21,565)	(4,020)	(2,376)	(27,961)
Amortization charge for the period (Unaudited)	—	(20)	(196)	(28)	(244)
Disposal of subsidiaries (Unaudited)	—	60	—	—	60
Disposal (Unaudited)	<u>—</u>	<u>17,994</u>	<u>744</u>	<u>2,222</u>	<u>20,960</u>
As at 30 June 2025 (Unaudited)	<u>—</u>	<u>(3,531)</u>	<u>(3,472)</u>	<u>(182)</u>	<u>(7,185)</u>
<b>Impairment losses</b>					
As at 1 January 2025 (Audited)	(448,630)	—	—	—	(448,630)
Disposal of subsidiary (Unaudited)	<u>448,630</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>448,630</u>
As at 30 June 2025 (Unaudited)	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
<b>Net book value</b>					
As at 30 June 2025 (Unaudited)	<u>—</u>	<u>51</u>	<u>707</u>	<u>836</u>	<u>1,594</u>

## 10 PREPAYMENTS AND OTHER RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Included in non-current assets:		
Rental deposits	<u>641</u>	<u>641</u>
Included in current assets:		
Amounts due from related parties	12,030	11,984
Deposits and prepaid expenses	51,860	46,587
Receivable from disposal of bad debts	5,440	5,441
Amount due from a Director	49	148
Loan to third parties ( <i>Note</i> )	35,436	32,479
Withholding tax paid on behalf of grantees under employee incentive schemes	6,292	6,292
Others	<u>26,093</u>	<u>19,120</u>
	<u>137,200</u>	<u>122,051</u>
<b>Total</b>	<u><b>137,841</b></u>	<u><b>122,692</b></u>

*Note:* The loans are repayable on demand and the amounts are at an annual interest 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 six months ended 30 June 2025 and 2024:

	Six months ended 30 June	
	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
	(Unaudited)	(Unaudited)
<b>Opening balance</b>	23,359	37,043
Fair value of newly written quality assurance obligation	21,551	27,236
ECL reversed for the period	3,798	21,972
Payouts during the period, net	<u>(22,366)</u>	<u>(60,825)</u>
<b>Ending balance</b>	<u><b>26,342</b></u>	<u><b>25,426</b></u>

The following tables set forth the Group's quality assurance fund receivable movements for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
<b>Opening balance</b>	<b>9,772</b>	21,060
Fair value of newly written quality assurance obligation	<b>21,551</b>	27,236
ECL for quality assurance fund (a)	<b>(434)</b>	(702)
Contribution received from borrowers	<b>(20,196)</b>	(35,540)
<b>Ending balance</b>	<b>10,693</b>	12,054

	Six months ended 30 June 2025			
	ECL Staging			
	Stage 1 <i>RMB'000</i> (Unaudited)	Stage 2 <i>RMB'000</i> (Unaudited)	Stage 3 <i>RMB'000</i> (Unaudited)	Total <i>RMB'000</i> (Unaudited)
Quality assurance fund receivable	11,856	879	37,293	50,028
Less: ECL allowance under IFRS 9 (a)	(2,733)	(657)	(35,945)	(39,335)
<b>Quality assurance fund receivable, net</b>	<b>9,123</b>	<b>222</b>	<b>1,348</b>	<b>10,693</b>

	As at 31 December 2024			
	ECL Staging			
	Stage 1 <i>RMB'000</i> (Audited)	Stage 2 <i>RMB'000</i> (Audited)	Stage 3 <i>RMB'000</i> (Audited)	Total <i>RMB'000</i> (Audited)
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)
<b>Quality assurance fund receivable, net</b>	<b>8,211</b>	<b>213</b>	<b>1,348</b>	<b>9,772</b>



- (a) The following tables explain the changes in the ECL allowance of quality assurance fund receivable by stage for the six months ended 30 June 2025 and 2024:

	Six months ended 30 June 2025			
	Stage 1 12 month-ECL RMB'000 (Unaudited)	Stage 2 Lifetime ECL RMB'000 (Unaudited)	Stage 3 Lifetime ECL RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Opening balance</b>	<b>2,620</b>	<b>646</b>	<b>35,635</b>	<b>38,901</b>
Net increase for the period (i)	124	40	270	434
Transfer				
Transfer from Stage 1 to Stage 2	(10)	10	—	—
Transfer from Stage 1 to Stage 3	(13)	—	13	—
Transfer from Stage 2 to Stage 1	12	(12)	—	—
Transfer from Stage 2 to Stage 3	—	(27)	27	—
<b>Ending balance</b>	<b>2,733</b>	<b>657</b>	<b>35,945</b>	<b>39,335</b>
	Six months ended 30 June 2024			
	Stage 1 12 month-ECL RMB'000 (Unaudited)	Stage 2 Lifetime ECL RMB'000 (Unaudited)	Stage 3 Lifetime ECL RMB'000 (Unaudited)	Total RMB'000 (Unaudited)
<b>Opening balance</b>	<b>2,899</b>	<b>749</b>	<b>34,161</b>	<b>37,809</b>
Net increase/(decrease) for the period (i)	(192)	9	885	702
Transfer				
Transfer from Stage 1 to Stage 2	(23)	23	—	—
Transfer from Stage 1 to Stage 3	(41)	—	41	—
Transfer from Stage 2 to Stage 1	29	(29)	—	—
Transfer from Stage 2 to Stage 3	—	(85)	85	—
<b>Ending balance</b>	<b>2,672</b>	<b>667</b>	<b>35,172</b>	<b>38,511</b>

- (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 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Contract assets	638,088	638,308
Less: ECL allowance	<u>(615,354)</u>	<u>(613,843)</u>
<b>Contract assets, net</b>	<b><u>22,734</u></b>	<b><u>24,465</u></b>
<b>Contract liabilities</b>	<b><u>(19,622)</u></b>	<b><u>(25,609)</u></b>

The activity in the total ECL allowance for the six months ended 30 June 2025 and 2024 consisted of the following:

	Six months ended 30 June 2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
<b>Opening balance</b>	<b>(613,843)</b>	<b>(608,876)</b>
Provision of ECL for the period ( <i>Note 5</i> )	<u><b>(1,511)</b></u>	<u><b>(3,514)</b></u>
<b>Ending balance</b>	<b><u>(615,354)</u></b>	<b><u>(612,390)</u></b>

*Note:* The Group receives payments from borrowers over the tenures of the loans. Contract assets represent 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 30 June 2025 would be realized within the next twelve months as the weighted average term of the arrangements where the Group was not the loan originator was less than twelve months. The Group determined that there was no significant financing component for its arrangements where the Group was not the loan originator.

### 13 TRADE RECEIVABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Referral and credit card technology service receivables	247,681	258,761
Saas service receivables	4,678	9,512
Others	1,814	890
	<u>254,173</u>	<u>269,163</u>
ECL allowance	<u>(215,086)</u>	<u>(217,780)</u>
	<u>39,087</u>	<u>51,383</u>

The activity in the total ECL allowance for trade receivables for the six months ended 30 June 2025 and 2024 consisted of the following:

	Six months ended 30 June	
	2025 <i>RMB'000</i> (Unaudited)	2024 <i>RMB'000</i> (Unaudited)
Opening balance	(217,780)	(216,652)
Provision of ECL for the period ( <i>Note 5</i> )	(1,216)	(3,812)
Disposal of subsidiaries	3,910	—
Ending balance	<u>(215,086)</u>	<u>(220,464)</u>

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

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 30 days	5,194	12,139
More than 30 days	248,979	257,024
	<u>254,173</u>	<u>269,163</u>

## 14 TRADE AND OTHER PAYABLES

	As at 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Trade payables (a)	14,771	15,480
Payroll and welfare payable	7,552	15,624
Professional service expenses	1,240	1,617
Others	7,755	10,735
	<u>31,318</u>	<u>43,456</u>

(a) Trade payables 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 30 June 2025 <i>RMB'000</i> (Unaudited)	As at 31 December 2024 <i>RMB'000</i> (Audited)
Within 30 days	7,204	10,974
30 to 90 days	3,139	2,662
90 to 180 days	3,476	1,004
180 to 360 days	476	621
over 360 days	476	219
	<u>14,771</u>	<u>15,480</u>

## 15 DIVIDENDS

No dividend has been paid or declared by the Company during the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

## 16 DISPOSAL OF LISTED SUBSIDIARY

During the period ended 30 June 2025, the Group entered into the placing agreement with independent third parties to dispose 10.16% equity interest in China Netcom Technology Holdings Limited (“**China Netcom**”) at a consideration of approximately HKD7,140,000 (equivalent to approximately RMB6,538,000). The disposal was completed on 9 June 2025 and the Group has hold 29% interest in China Netcom since then.

The net assets of China Netcom at the date of the disposal were as follows:

	<i>RMB'000</i> (Unaudited)
Property and equipment, net	109
Deferred tax assets	409
Goodwill	33,747
Trade receivables	3,613
Prepayments and other receivables	4,188
Cash and cash equivalents	6,830
Trade and other payables	(7,294)
Lease liabilities	(6)
	<hr/>
Net assets disposed of	41,596
Loss on disposal of a subsidiary	
Total consideration	
— Cash	6,318
— Investment in an associate	43,552
Net assets disposed of	(41,596)
Non-controlling interest	(21,561)
	<hr/>
Loss on disposal	(13,287)
	<hr/> <hr/>
Net cash outflow arising on disposal	
Cash consideration	6,318
Less: bank and cash balance disposal of	(6,830)
	<hr/>
	(512)
	<hr/> <hr/>

## 17 EVENT AFTER REPORTING PERIOD

On 24 January 2025, the Group entered into the Share Sale and Purchase agreement with independent third parties to dispose 29% equity interest in China Netcom Technology Holdings Limited (“**China Netcom**”) at a consideration of approximately HKD21,750,000. The disposal was completed on 15 July 2025 and the Group no longer, directly or indirectly, holds any interest in China Netcom. As such, China Netcom will cease to be an associate of the Company.

## FINANCIAL REVIEW

### Revenue

Our total revenue increased by approximately 16.4% from approximately RMB116.6 million for the six months ended 30 June 2024 to approximately RMB135.7 million for the six months ended 30 June 2025.

Valalife revenue increased by approximately 482.9% from approximately RMB8.6 million for the six months ended 30 June 2024 to approximately RMB50.3 million for the six months ended 30 June 2025, primarily due to the mass delivery of vala vehicles in the first half of the year, resulting in a significant increase in sales revenue.

Credit facilitation and service fees decreased by approximately 11.7% from approximately RMB29.4 million for the six months ended 30 June 2024 to approximately RMB26.0 million for the six months ended 30 June 2025. We generally collect credit facilitation service fees from borrowers according to the pre-confirmed fee schedules and recognize in the consolidated financial statements the upfront credit facilitation service fees at the inception of the loan and the subsequent credit facilitation service fees over the term of the loan. The decrease in credit facilitation and service fees was mainly attributable to the adjustment of our business strategies, which led to a decrease in credit facilitation business volume for the six months ended 30 June 2025.

SaaS service fees decreased by approximately 54.2% from approximately RMB46.0 million for the six months ended 30 June 2024 to approximately RMB21.1 million for the six months ended 30 June 2025, mainly due to the decline in revenue from the smart retail business.

Revenue from children's entertainment business increased by approximately 47.7% from approximately RMB11.3 million for the six months ended 30 June 2024 to approximately RMB16.8 million for the six months ended 30 June 2025, as a result of having realized stable operation since its establishment.

Credit card technology service fees decreased by approximately 87.0% from approximately RMB1.3 million for the six months ended 30 June 2024 to approximately RMB0.2 million for the six months ended 30 June 2025. We have been gradually phasing out the investment in the co-branded card business, which led to a decrease in credit card technology service fees.



Other revenue increased by approximately 7.9% from approximately RMB19.8 million for the six months ended 30 June 2024 to approximately RMB21.4 million for the six months ended 30 June 2025, mainly due to the increase in revenue from the car lifestyle business operated by China Netcom, from nil for the six months ended 30 June 2024 to approximately RMB5.9 million for the six months ended 30 June 2025 but partially offset by the referral service income generated by the Group from referring loans to third-party business partners decreasing by approximately 24.1% from approximately RMB10.8 million for the six months ended 30 June 2024 to approximately RMB8.2 million for the six months ended 30 June 2025.

### **Operating expenses**

Total operating expenses increased by approximately 23.0% from approximately RMB150.7 million for the six months ended 30 June 2024 to approximately RMB185.3 million for the six months ended 30 June 2025.

Origination and servicing expenses increased by approximately 15.4% from approximately RMB108.7 million for the six months ended 30 June 2024 to approximately RMB125.5 million for the six months ended 30 June 2025. This increase was primarily due to the mass delivery of vala vehicles in the first half of the year, which led to vala vehicle procurement costs of approximately RMB39.2 million being incurred for the six months ended 30 June 2025, and which the Group had not incurred any during the six months ended 30 June 2024. However, this increase was partially offset by a reduction in corresponding external technology service fees, which decreased by approximately 99.3% from approximately RMB14.9 million for the six months ended 30 June 2024 to approximately RMB0.1 million for the six months ended 30 June 2025, due to the decline in smart retail revenue under the Group's SaaS business.

Sales and marketing expenses increased by approximately 74.3% from approximately RMB19.1 million for the six months ended 30 June 2024 to approximately RMB33.3 million for the six months ended 30 June 2025. This was primarily due to the marketing expenses arising from the marketing and promotion of vala vehicles, which increased by approximately 166.5% from approximately RMB7.6 million for the six months ended 30 June 2024 to approximately RMB20.3 million for the six months ended 30 June 2025.

General and administrative expenses increased by approximately 4.6% from approximately RMB26.9 million for the six months ended 30 June 2024 to approximately RMB28.2 million for the six months ended 30 June 2025, with overall expenses remaining largely consistent with the corresponding period last year.

Research and development expenses decreased by approximately 24.8% from approximately RMB28.0 million for the six months ended 30 June 2024 to approximately RMB21.1 million for the six months ended 30 June 2025, mainly due to the phased reduction in research and development expenses as the Vala Pro vehicle model of the Valalife business achieved mass production and mass delivery, decreasing from approximately RMB17.2 million for the six months ended 30 June 2024 by 43.0% to approximately RMB9.8 million for the six months ended 30 June 2025.

Expected credit loss decreased by approximately 77.1% from approximately RMB33.7 million for the six months ended 30 June 2024 to approximately RMB7.7 million for the six months ended 30 June 2025, mainly due to (i) an approximately 81.5% decrease in expected credit loss related to quality assurance funds, from approximately RMB22.7 million for the six months ended 30 June 2024 to approximately RMB4.2 million for the six months ended 30 June 2025; and (ii) a decrease in expected credit loss related to accounts receivable, which fell by approximately 68.4% from approximately RMB3.8 million for the six months ended 30 June 2024 to approximately RMB1.2 million for the six months ended 30 June 2025. This decrease was primarily a result of a calculation based on the ageing of accounts receivable and the assessment of their future recoverability. For this segment, the management has been closely monitoring all outstanding overdue assets and regularly reviewing the recoverability of each type of receivable loan.

Other gains, net decreased by approximately 53.8% from approximately RMB65.9 million for the six months ended 30 June 2024 to approximately RMB30.5 million for the six months ended 30 June 2025, mainly due to: (i) investment losses from the disposal of certain subsidiaries being incurred as part of the Group's strategic adjustment in the first half of the year of approximately RMB12.7 million for the six months ended 30 June 2025, and which the Group had not incurred any during the six months ended 30 June 2024; and (ii) gains from recovery of overdue assets decreased by 24.8% from approximately RMB68.6 million for the six months ended 30 June 2024 to approximately RMB51.6 million for the six months ended 30 June 2025.

#### **Share of net loss of associates accounted for using equity method**

Share of net loss of associates accounted for using equity method increased by approximately 716.5% from approximately RMB0.1 million for the six months ended 30 June 2024 to approximately RMB0.9 million for the six months ended 30 June 2025, mainly because of the loss arising from the operating results of associates.

**Fair value loss of financial liabilities at FVPL**

Fair value loss of financial liabilities at FVPL decreased by approximately 92.5% from approximately RMB11.5 million for the six months ended 30 June 2024 to approximately RMB0.9 million for the six months ended 30 June 2025, mainly due to further improvement in the operating results of Little Blue Book during the six months ended 30 June 2025, which led to an increase in the appraisal value of such liabilities as compared to the appraisal value as at 31 December 2024.

**Finance income, net**

Finance income, net decreased by approximately 89.8% from approximately RMB0.7 million for the six months ended 30 June 2024 to approximately RMB0.1 million for the six months ended 30 June 2025, mainly due to a decrease in the Group's overall cash level, resulting in a corresponding decrease in interest income.

**Income tax credit/(expense)**

Income tax credit/(expense) changed from expense of approximately RMB3.2 million for the six months ended 30 June 2024 to credit of approximately RMB0.5 million for the six months ended 30 June 2025, mainly due to an increase in deferred income tax assets.

**Loss for the period**

As a result of the foregoing, our loss for the period increased approximately by 5.7% from approximately RMB48.1 million for the six months ended 30 June 2024 to approximately RMB50.9 million for the six months ended 30 June 2025, mainly due to investment losses from disposal of certain subsidiaries of approximately RMB12.7 million being incurred for the six months ended 30 June 2025, and which was partially offset by the fair value loss on financial liabilities at FVPL decreasing by approximately 92.5% from approximately RMB11.5 million for the six months ended 30 June 2024 to approximately RMB0.9 million for the six months ended 30 June 2025.

## **Non-IFRS measures**

To supplement our consolidated financial statements that have been prepared in accordance with IFRSs, we also use adjusted operating loss and adjusted net loss as additional financial indicators, which are not presented in accordance with IFRSs. We believe that adjusted operating loss and adjusted net loss facilitate comparisons of operating performance from period to period 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 loss and adjusted net loss has limitations as an analytical tool, and such measures should not be considered in 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 loss and adjusted net loss for the period, we excluded share-based compensation expenses, fair value loss/(gain) of financial assets/liabilities at FVPL, loss on the disposal of property, plant and equipment, loss on the disposal of subsidiaries and other losses from operating loss and net loss, 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 believed 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 the disposal of property, plant and equipment was non-cash in nature and did not result in cash outflows; (iv) loss on the disposal of subsidiaries was a 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 for the period and the adjusted net loss for the period presented to the most directly comparable financial measures calculated and presented in accordance with IFRSs, which are operating loss for the period and net loss for the period:

	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Non-IFRS adjusted operating loss</b>		
Operating loss	(49,608)	(34,084)
Adjusted for:		
Share-based compensation expenses	23	47
Fair value loss/(gain) of financial assets at FVPL	1,542	(349)
Loss on the disposal of property, plant and equipment	575	2,837
Loss on the disposal of subsidiaries	12,679	—
Other <sup>(i)</sup>	5,222	—
	<u>(29,567)</u>	<u>(31,549)</u>
<b>Non-IFRS adjusted operating loss</b>	<b><u>(29,567)</u></b>	<b><u>(31,549)</u></b>
	<b>For the six months ended</b>	
	<b>30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b><i>RMB'000</i></b>	<b><i>RMB'000</i></b>
<b>Non-IFRS adjusted net loss</b>		
Net loss	(50,870)	(48,129)
Adjusted for:		
Share-based compensation expenses	23	47
Fair value loss of financial liabilities at FVPL	862	11,492
Fair value loss/(gain) of financial assets at FVPL	1,542	(349)
Loss on the disposal of property, plant and equipment	575	2,837
Loss on the disposal of subsidiaries	12,679	—
Other <sup>(i)</sup>	5,222	—
	<u>(29,967)</u>	<u>(34,102)</u>
<b>Non-IFRS adjusted net loss</b>	<b><u>(29,967)</u></b>	<b><u>(34,102)</u></b>

## Liquidity, Financial Resources and Gearing Ratio

The Group maintained a net cash position throughout the period under review. Our net cash positions as at 30 June 2025 and 31 December 2024 are as follows:

	As at 30 June 2025 <i>RMB million</i>	As at 31 December 2024 <i>RMB million</i>
Cash and cash equivalents	161	280
Borrowings	(0.5)	(60)
Net cash	<u>160.5</u>	<u>220</u>

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 six months ended 30 June 2025, the Group recorded net cash outflow of approximately RMB119.9 million, primarily representing net cash outflow in operating activities of approximately RMB45.9 million; net cash outflow in investing activities of approximately RMB13.5 million; and net cash outflow in financing activities of approximately RMB60.5 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 0.1% as at 30 June 2025 (31 December 2024: approximately 5.6%).

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

	As at 30 June 2025 <i>RMB'000</i>	As at 31 December 2024 <i>RMB'000</i>
Within 1 year	500	59,820
1 year to 2 years	—	—
2 years to 5 years	—	—
Total borrowings	<u>500</u>	<u>59,820</u>



Bank and other borrowings as at 30 June 2025 were denominated in RMB (31 December 2024: RMB). For the six months ended 30 June 2025, the interest rates of borrowings were approximately 3.2% (for the year ended 31 December 2024: 3.00% to 6.50%).

### Fund Raising Activities and Use of Proceeds

In November 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 at the placing price of HK\$0.146 per Placing Share. 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).

As at 30 June 2025, the net proceeds from the 2024 Placing have been utilised as follows:

		Net proceeds unutilised	Net proceeds utilised	Net proceeds utilised	Net proceeds unutilised	Expected timeline of utilisation of net proceeds from the 2024 Placing
	Net proceeds allocated	as at 1 January 2025	during the six months ended 30 June 2025	up to 30 June 2025	as at 30 June 2025	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(approximate)	(approximate)	(approximate)	(approximate)	(approximate)	(approximate)
Strengthening the Group's existing credit facilitation business and SaaS business	17,430	17,430	650	650	16,780	By 31 December 2027
Development and expansion of value	17,430	17,430	0	0	17,430	By 31 December 2027
General working capital	3,870	3,427	100	543	3,327	By 31 December 2027
Total	<u>38,730</u>	<u>38,287</u>	<u>750</u>	<u>1,193</u>	<u>37,537</u>	

The Company does not have any intention to change the purposes of the net proceeds as set out in the announcement of the Company dated 21 October 2024, and will gradually utilise the un-utilised amount of the net proceeds in accordance with the intended purposes mentioned above. 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 six months ended 30 June 2025 would have been approximately RMB1,457,755 higher/lower, and the loss before income tax for the six months ended 30 June 2024 would have been approximately RMB1,747,096 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 six months ended 30 June 2025 would have been approximately RMB256 lower/higher, and the loss before income tax for the six months ended 30 June 2024 would have been approximately RMB256 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 fluctuation during the six months ended 30 June 2025.

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**

As at 30 June 2025, there was no charge over any assets of the Group.

### **Future Plans for Material Investments or Capital Assets**

For the six months ended 30 June 2025, the Group did not have any material investments (for the year ended 31 December 2024: Nil). The Group had no specific plan for material investment or acquisition of capital assets as at 30 June 2025.

## Material Acquisition and Disposal

Reference is made to the announcements of the Company dated 24 January 2025, 9 June 2025 and 12 June 2025 (the “**Disposal Announcements**”) in relation to (a) the sale of 1,358,954,030 shares of China Netcom (“**China Netcom Shares**”), a then-subsidiary of the Company, by 51RENPIN.COM INC. (“**51RENPIN**”) and the Company to Qichen High-Tech Management Consulting Ltd. (“**Qichen Management**”) 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 (the “**SPA**”), 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.

On 9 June 2025, all of the China Netcom Placing Shares were successfully placed by the Placing Agent to three placees at the placing price of HK\$0.015 per China Netcom Placing Share. The gross proceeds from the China Netcom Placing amounted to approximately HK\$7.14 million and the net proceeds from the China Netcom Placing (after deduction of placing commission, professional fees and other expenses) amounted to approximately HK\$6.9 million. Immediately before completion of the China Netcom Placing (“**Placing Completion**”), the Company indirectly held approximately 39.16% of the total issued share capital of China Netcom and China Netcom was a subsidiary of the Company. Immediately upon the Placing Completion, the Company indirectly held approximately 29.00% of the total issued share capital of China Netcom. As the Group held 20% or more of the voting power in China Netcom, it is presumed that the Group has significant influence on China Netcom immediately after the Placing Completion and China Netcom was accounted for as an associate in its consolidated financial statements. For more details about the Placing Completion, please refer to the announcement of the Company dated 9 June 2025. For more details about the completion of the China Netcom S&P, please refer to the section headed “EVENTS AFTER THE REPORTING PERIOD” below.

Save as disclosed above, for the six months ended 30 June 2025, the Group did not have any material acquisition or disposal of subsidiaries (for the year ended 31 December 2024: 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 30 June 2025. As of 30 June 2025, 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.

## **INTERIM DIVIDEND**

The Board has decided not to declare any interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

For the six months ended 30 June 2025, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the listed securities of the Company.

## **CORPORATE GOVERNANCE PRACTICES**

For the six months ended 30 June 2025, the Company had applied the principles and complied with all applicable code provisions of the Corporate Governance Code (the “**CG Code**”) as contained in Part 2 of Appendix C1 to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), save and except the deviation set out below:

### **Code Provision C.2.1 (Separation of the Roles of Chairman and Chief Executive Officer)**

Currently, Mr. Sun Haitao (“**Mr. Sun**”) takes up the roles of both chairman of the Board and the chief executive officer of the Company (the “**CEO**”), which is deviated from code provision C.2.1 of the CG Code that the roles of chairman and CEO are 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 CEO 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 (Attendance of Non-Executive Directors at General Meetings of the Listed Issuer)**

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 six months ended 30 June 2025, Ms. Zou Yunli was unable to attend the annual general meeting of the Company held on 5 June 2025 due to other business engagements.

*Note:* The amendments to the CG Code effective on 1 July 2025 will apply to the corporate governance reports and annual reports of the Company for financial years commencing on or after 1 July 2025. For this interim results announcement, the Company shall refer to the then effective CG Code.

### **EMPLOYEES AND REMUNERATION POLICY**

As at 30 June 2025, the Group had approximately 430 employees (31 December 2024: approximately 373 employees). For the six months ended 30 June 2025, the total employees cost incurred by the Group was approximately RMB55.4 million (for the six months ended 30 June 2024: approximately RMB52.7 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 the establishment of the employees’ training system, including induction training for new employees and on-the-job training for current employees, 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 the 51 Award Scheme to reward the employees. For details, please refer to the section headed “Restricted Share Unit (“RSU”) Schemes” in the annual report of the Company for the year ended 31 December 2024.

### **REVIEW OF THE INTERIM RESULTS**

The Company has established the audit committee (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 unaudited consolidated interim results of the Group and the unaudited condensed consolidated interim financial information of the Group for the six months ended 30 June 2025. The Audit Committee has also reviewed and confirmed the accounting policies and practices adopted by the Company and have no disagreement.

## **EVENTS AFTER THE REPORTING PERIOD**

Reference is made to the Disposal Announcement and the announcement of the Company dated 15 July 2025 in relation to the China Netcom S&P. On 15 July 2025, completion of the China Netcom S&P (“**S&P Completion**”) took place, and the 1,358,954,030 China Netcom Shares were transferred to Qichen Management in accordance with the terms of the SPA. Immediately upon the S&P Completion, the Company no longer, directly or indirectly, holds any interest in China Netcom. As such, China Netcom has ceased to be an associate of the Company.

## **PUBLICATION OF INTERIM REPORT**

This interim results announcement is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and of the Company ([www.vala.life](http://www.vala.life)). The interim report will be despatched to the Shareholders and published on the aforementioned websites in due course.

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

By Order of the Board

**Vala Inc.**

**Sun Haitao**

*Chairman, Chief Executive Officer and Executive Director*

29 August 2025

*As at the date of this announcement, the executive Directors are Mr. Sun Haitao and Ms. Wu Shan; the non-executive Director is Ms. Zou Yunli; and the independent non-executive Directors are Mr. Ye Xiang, Mr. Xu Xuchu and Mr. Shou Jian.*