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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)

PROFIT WARNING

This announcement is made pursuant to rule 13.09 of the Listing Rules and the Inside Information Provisions.

The Board wishes to inform Shareholders, holders of other securities and potential investors that, based on the latest available information and a preliminary assessment of the latest unaudited consolidated management accounts of the Group, the Group is expecting to record consolidated net profit in the range of RMB100 million to RMB140 million, and consolidated adjusted net profit⁽¹⁾ in the range of RMB100 million to RMB140 million, for the Period, as compared to consolidated net profit of RMB302 million, and consolidated adjusted net profit⁽¹⁾ of RMB304 million, for the Corresponding Period and consolidated net profit of RMB152 million, and consolidated adjusted net profit⁽¹⁾ of RMB152 million, for the six months ended 31 December 2023.

Shareholders, holders of other securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

This announcement is made by VCREDIT Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”), holders of other securities of the Company and potential investors that, based on the latest available information and a preliminary assessment of the latest unaudited consolidated management accounts of the Group, the Group is expecting to record consolidated net profit in the range of RMB100 million to RMB140 million, and consolidated adjusted net profit⁽¹⁾ in the range of RMB100 million to RMB140 million, for the six months ended 30 June 2024 (the “**Period**”), as compared to consolidated net profit of RMB302 million, and consolidated adjusted net profit⁽¹⁾ of RMB304 million, for the six months ended 30 June 2023 (the “**Corresponding Period**”) and consolidated net profit of RMB152 million, and consolidated adjusted net profit⁽¹⁾ of RMB152 million, for the six months ended 31 December 2023.

Based on the information currently available to the Board, the decrease in net profit of the Group for the Period compared to the net profit of the Group for the Corresponding Period was mainly attributable to (i) a decrease in loan volume during the Period, primarily due to weaker consumer credit demand, combined with our prudent business strategy in light of uncertain macroeconomic environment; (ii) initial losses incurred in the early stage startup of new businesses, in line with the Group's strategy to diversify its business operations into new markets and new businesses; and (iii) an increase in 3-month plus delinquency rate due to lower loan demand from high quality borrowers, a lower volume base, and the adverse impact of the unfavourable macroeconomic conditions on existing loans. In response to China's uncertain macro conditions, the Group has implemented risk policy adjustments to comprehensively reduce its risk exposure during the Period. As a result, the projected First Payment Delinquency Ratio⁽²⁾ in the second quarter of 2024, a leading indicator of the Group's asset quality for newly originated loans, dropped by 30% to 0.50%, as compared to 0.71% for the fourth quarter of 2023.

The Board wishes Shareholders, holders of other securities of the Company and potential investors to note that the information contained in this announcement is based on the latest available information and a preliminary assessment of the latest unaudited consolidated management accounts of the Group for the Period by the Board. The unaudited consolidated management accounts of the Group for the Period have not yet been reviewed by the Company's audit committee or external auditor. The Company is still in the process of finalising the Group's unaudited consolidated interim results for the Period which may differ from the information contained in this announcement. The Group's unaudited consolidated interim results for the Period are expected to be published in August 2024.

Shareholders, holders of other securities of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.

Note:

- (1) Adjusted net profit means net profit for the applicable period after excluding share-based compensation expenses.
- (2) First Payment Delinquency Ratio is defined as the total balance of outstanding principal amount of loans originated in the applicable period that were delinquent on their first payment due dates divided by the aggregate loan origination volume in that period.

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

Hong Kong, 6 August 2024

As at the date of this announcement, the board of directors of the Company comprises Mr. Ma Ting Hung as the chairman and an executive director; Mr. Liu Sai Wang Stephen and Mr. Liu Sai Keung Thomas as executive directors; Mr. Yip Ka Kay as a non-executive director; and Mr. Chen Derek, Mr. Chen Penghui and Mr. Fang Yuan as independent non-executive directors.