



Quanzhou Huixin Micro-credit Co., Ltd.* 泉州匯鑫小額貸款股份有限公司

(Established in the People's Republic of China with limited liability)
Stock Code: 1577

INTERIM REPORT 2025



* for identification purpose only.

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Definitions

In this report, unless the context otherwise requires, the following terms shall have the meanings set out below.

“Audit Committee”	the audit committee of the Company
“Board” or “Board of Directors”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China, but for the purpose of this interim report and for geographical reference only and except where the context requires, references in this interim report to “China” and “PRC” do not apply to Taiwan, Macau Special Administrative Region and Hong Kong
“Company”	Quanzhou Huixin Micro-credit Co., Ltd.* (泉州匯鑫小額貸款股份有限公司), a joint stock company established in the PRC with limited liability on 8 January 2010 converted from the predecessor company, Quanzhou Licheng District Huixin Microcredit Co., Ltd.* (泉州市鯉城區匯鑫小額貸款有限公司), on 18 August 2014, the H Shares of which are listed on the Hong Kong Stock Exchange (Stock Code: 1577)
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	ordinary shares in our capital, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi by PRC nationals and/or PRC-incorporated entities
“Fujian” or “Fujian Province”	Fujian Province (福建省), a province located in the southeastern coast of China
“Fujian Haoxiang Gardening”	Fujian Haoxiang Gardening Building Decoration Engineering Co., Ltd.* (福建豪翔園林建設有限責任公司)
“Fujian Huian Haoda”	Fujian Huian Haoda Construction Company Limited* (福建省惠安豪達建設有限公司), formerly known as Fujian Huian Haoda Stoning Company Limited* (福建省惠安豪達石業有限公司)
“Fujian Panpan”	Fujian Panpan Biotech Limited* (福建盼盼生物科技股份有限公司)
“Fujian Province” or “Fujian”	Fujian Province (福建省), a province located in the southeastern coast of the PRC
“Fujian Septwolves Group”	Fujian Septwolves Group Co., Ltd.* (福建七匹狼集團有限公司)
“Group”, “we”, “us” or “our”	the Company and its subsidiaries
“HKFRS(s)”	Hong Kong Financial Reporting Standards
“H Share(s)”	overseas listed foreign shares in the share capital of the Company with nominal value of RMB1.00 each, which are listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

Definitions

“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“JJHX”	Jinjiang Huixin Microfinance Co., Ltd.* (晉江市匯鑫小額貸款有限公司)
“Listing Rules”	The Rules Governing the Listing of Securities on Hong Kong Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Model Code”	The Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules
“Quanzhou” or “Quanzhou City”	Quanzhou City (泉州市), Fujian Province, the PRC
“Quanzhou Haoxiang”	Quanzhou Haoxiang Stone Co., Ltd.* (泉州豪翔石業有限公司)
“Quanzhou Yuanpeng”	Quanzhou Yuanpeng Clothing and Textile Co., Ltd.* (泉州市遠鵬服飾織造有限公司)
“Reporting Period”	the period for the six months ended 30 June 2025
“RMB”	Renminbi, the lawful currency for the time being of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, supplemented or otherwise modified from time to time
“Share(s)”	Domestic Share(s) and/or H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)
“SMEs”	small and medium-sized enterprise(s)
“State Council”	the State Council of the PRC (中華人民共和國國務院)
“Supervisor(s)”	the supervisor(s) of the Company
“Wealth Success”	Wealth Success Enterprise Limited* (成康企業有限公司)
“Xiamen Jiayucheng”	Xiamen Jiayucheng International Trade Co., Ltd* (廈門嘉裕誠國際貿易有限公司)
“Xiamen Shunyingtong”	Xiamen Shunyingtong International Trade Co., Ltd* (廈門順應通國際貿易有限公司)
“Xiamen Yulang Gongwu”	Xiamen Yulang Gongwu Textile and Garment Co., Ltd* (廈門與狼共舞紡織服裝有限公司)

* for identification purposes only

Corporate Information

Directors

Executive Directors

Mr. Jiang Bin (*Chairman*) (appointed on 12 June 2025)
Mr. Wu Zhirui (*Chairman*) (resigned on 12 June 2025)
Mr. Zhou Yongwei
Mr. Yan Zhijiang
Ms. Liu Aiqin

Non-executive Directors

Mr. Jiang Haiying
Mr. Cai Rongjun

Independent Non-executive Directors

Mr. Zheng Wenjian
Mr. Yang Dong John
Mr. Yang Zhanghua

Supervisors

Mr. Wang Shijie (*Chairman*)
Mr. Li Jiancheng
Ms. Ruan Cen
Mr. Chen Jinzhu
Mr. Wu Lindi

Audit Committee

Mr. Yang Dong John (*Chairman*)
Mr. Cai Rongjun
Mr. Zheng Wenjian

Remuneration Committee

Mr. Zheng Wenjian (*Chairman*)
Mr. Wu Zhirui (resigned on 12 June 2025)
Mr. Yang Zhanghua
Mr. Jiang Bin (appointed on 12 June 2025)

Nomination Committee

Mr. Yang Zhanghua (*Chairman*)
Mr. Zhou Yongwei (resigned on 26 March 2025)
Ms. Liu Aiqin (appointed on 26 March 2025)
Mr. Yang Dong John

Joint Company Secretaries

Mr. Yan Zhijiang
Ms. Ng Ka Man (*ACG, HKACG*)

Authorised Representatives

Mr. Wu Zhirui (resigned on 12 June 2025)
Mr. Yan Zhijiang
Mr. Jiang Bin (appointed on 12 June 2025)

Registered Address

No. 785-24 Xinmen Street
Licheng District
Quanzhou
Fujian
the PRC

Headquarters/Principal Place of Business in the PRC

35/F, Huijin International Center
No. 105 Daxing Street
Fengze District
Quanzhou
Fujian
the PRC

Principal Place of Business in Hong Kong

31/F, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Corporate Information

Company's Website

www.qzhuixin.net

Stock Code

1577

Auditor and Reporting Accountant

Ernst & Young
Certified Public Accountants

Legal Adviser

YYC Legal LLP
(as to Hong Kong laws)

H Share Registrar

Boardroom Share Registrars (HK) Limited
2103B, 21/F, 148 Electric Road
North Point
Hong Kong

Principal Bankers

The Agricultural Bank of China
Jinjiang Jinjing Sub-branch
No. 200 Zhong Xing Road, Jinjing Town
Jinjiang City
Quanzhou
Fujian
the PRC

China Minsheng Bank
Quanzhou Branch
No. 689 Citong Street
Fengze District
Quanzhou
Fujian
the PRC

Xiamen Bank
Yinlong Sub-branch
No. 857 Xiahe Street
Huli District
Quanzhou
Fujian
the PRC

Xiamen Bank
Quanzhou Branch
No. 474 Huxin Street
Licheng District
Quanzhou
Fujian
the PRC

Management Discussion and Analysis

Industry Overview

In 2014, the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會) designated Quanzhou city as a pilot zone for the comprehensive reform of the private economy, initiating reform programs that include improving the financial services sector as well as increasing the financial support of, and the financing resources available to, private enterprises. In December 2015, the State Council of the PRC (中華人民共和國國務院) promulgated the *Plan for Promoting the Development of Inclusive Finance (2016–2020)* (Guo Fa [2015] No. 74) (推進普惠金融發展規劃(2016–2020年) (國發[2015]74號)), which aims to improve the quality and the coverage of inclusive finance service. In 2017, the government of Quanzhou city promulgated the *Opinions on Promoting the Sound and Sustainable Development of Micro-credit Companies, Pawnshop Companies and Financing Guarantee Companies* (泉州市人民政府關於促進小額貸款公司、典當行和融資擔保公司健康持續發展的若干意見), which encourages microfinance companies to develop innovative businesses. In 2018, the Quanzhou Financial Affairs Bureau (泉州市金融工作局) and certain other government departments promulgated the *Opinions on the Implementation of Strengthening Financial Services of Real Economy to further Facilitate and Reduce the Cost of Financing* (關於加強實體經濟金融服務進一步緩解融資難融資貴的實施意見), which allows microfinance companies in Quanzhou city to comprehensively carry out microfinance business mainly for SMEs and “agriculture, rural and farmers” (三農) in Quanzhou city. In 2021, to further support the development of microfinance companies in Quanzhou city, Quanzhou Financial Affairs Office promulgated the *Opinions on Promoting the Sound and Sustainable Development of Micro-credit Companies* (泉州市金融工作辦公室關於促進小額貸款公司持續健康發展的若干意見).

Business Overview

Our Group is principally engaged in loan business. We conduct our loan business primarily through the Company and JJHX. Based in Quanzhou City, we are the largest licensed microfinance company in Fujian Province in terms of revenue in 2024, according to the statistics of the Fujian Financial Supervision Bureau (福建省地方金融監督管理局). We are primarily dedicated to providing local entrepreneurial individuals, SMEs and microenterprises with practical and flexible short-term financing solutions to support their continued development and address their ongoing liquidity needs.

During the Reporting Period, we generated substantially all of our income by charging interest on the loans extended to our customers. For the six months ended 30 June 2025, the total loans granted to our customers amounted to RMB703.6 million. Our interest income from loans receivable was RMB51.5 million for the six months ended 30 June 2025.

We financed our operations primarily through share capital of our Shareholders and bank borrowings. The following table sets forth our share capital, net capital, principal amount of outstanding loans and loan/net capital ratio as of the dates indicated:

	As of 30 June 2025	As of 31 December 2024
Share capital (RMB in millions)	680.0	680.0
Net capital (RMB in millions) ⁽¹⁾	1,230.3	1,221.2
Principal amount of outstanding loans (RMB in millions)	980.7	727.7
Loan/net capital ratio ⁽²⁾	0.80 times	0.60 times

Management Discussion and Analysis

Notes:

(1) Represents the aggregate of the share capital, reserves and retained profits of our Group.

(2) Represents the principal amount of our outstanding loans divided by our net capital.

Our Loan Business

Loan Portfolio

The principal amount of our outstanding loans increased from RMB727.7 million as of 31 December 2024 to RMB980.7 million as of 30 June 2025, primarily because of the increase in capital needs of enterprises.

Revolving Loans and Term Loans

We offer two types of loans, namely, revolving loans and term loans, as part of our flexible financing solutions, depending on a customer's repayment and re-borrowing needs. The following table sets forth the principal amount of our revolving loans and term loans as of the dates indicated:

	As of 30 June 2025		As of 31 December 2024	
	RMB'000	%	RMB'000	%
Principal amount of outstanding loans:				
Revolving loans	710,118	72.4	525,797	72.3
Term loans	270,540	27.6	201,859	27.7
Total	980,658	100.0	727,656	100.0

Loan portfolio by security

Our loans receivable consists of credit loans, guaranteed loans and collateral-backed loans. The following table sets forth our loan portfolio by security as of the dates indicated:

	As of 30 June 2025		As of 31 December 2024	
	RMB'000	%	RMB'000	%
Principal amount of outstanding loans:				
Credit loans	—	—	15,000	2.1
Guaranteed loans	57,960	5.9	36,519	5.0
Collateral-backed loans				
— with guarantee	464,366	47.4	378,674	52.0
— without guarantee	458,332	46.7	297,463	40.9
Total	980,658	100.0	727,656	100.0

Management Discussion and Analysis

Our clients primarily include entrepreneurial individuals, SMEs, and microenterprises. As of 31 December 2024, the balance of outstanding loan of our largest client and five largest clients was RMB37.4 million and RMB131.4 million respectively, accounting for 5.1% and 18.1% of our total balance of outstanding loan. As of 31 December 2024, there was no interest receivable from the five largest clients. As of 30 June 2025, the balance of outstanding loan of our largest client and five largest clients was RMB34.9 million and RMB129.4 million respectively, accounting for 3.6% and 13.2% of our total balance of outstanding loan. RMB0.6 million of interest receivables has been accrued from the five largest clients for the same period. The annual interest rates of the five largest clients range from 13.2% to 18.0% with the loan terms ranging from 6 to 36 months. Among the five largest clients, four are SMEs or microenterprises and one is an entrepreneurial individual, involving in manufacturing industry, construction industry and finance industry. All the above loans are collateral-backed loans.

Past due loans

The principal amount of our past due loans was RMB190.1 million and RMB193.2 million as of 31 December 2024 and 30 June 2025, respectively, accounting for 26.0% and 19.7% of the total principal amount of our outstanding loans as of the same dates.

We had 26 past due loans with an aggregate principal amount of RMB190.1 million as of 31 December 2024. As of 30 June 2025, RMB1.3 million of the principal amount of these past due loans as of 31 December 2024 had been settled and RMB1.3 million of the principal amount of these past due loans as of 31 December 2024 had been written off. As of 30 June 2025, the remaining portion of principal amount of past due loans as of 31 December 2024 was RMB187.5 million and the allowance for impairment losses for the remaining portion of past due loans as of 31 December 2024 was RMB54.3 million.

As of 30 June 2025, we had 27 past due loans with an aggregate principal amount of RMB193.2 million, and our allowance for impairment losses for these past due loans as of the same date was RMB50.2 million.

The principal amount of our past due loans increased from RMB190.1 million as of 31 December 2024 to RMB193.2 million as of 30 June 2025, mainly because some of our loans were overdue as a result of the current temporary cash flow difficulty of the borrowers. Since most of the past due loans were pledged or guaranteed by collaterals, the loss probability of such loans is low.

We adopt a loan classification approach to manage our loan portfolio risk. We categorize our loans by reference to the “Five-Tier Principle” set forth in the *Guideline for Loan Credit Risk Classification* (貸款風險分類指引) issued by the China Banking Regulatory Commission (中國銀行業監督管理委員會), which is transformed into the China Banking and Insurance Regulatory Commission (中國銀行保險監督管理委員會). We make provisions for the anticipated level for loan loss after categorizing the loan according to the “Five-Tier Principle”. According to the “Five-Tier Principle”, our loans are categorized as “normal”, “special-mention”, “substandard”, “doubtful” or “loss” according to their levels of risk. We consider our “substandard”, “doubtful” and “loss” loans as non-performing loans. The following table sets forth the breakdown of the total principal amount of our outstanding loans by category as of the dates indicated:

	As of 30 June 2025		As of 31 December 2024	
	RMB'000	%	RMB'000	%
Normal	568,674	58.0	378,801	52.1
Special-mention	380,291	38.8	321,732	44.2
Substandard	9,919	1.0	3,958	0.5
Doubtful	20,302	2.1	21,949	3.0
Loss	1,472	0.1	1,216	0.2
Total	980,658	100.0	727,656	100.0

Management Discussion and Analysis

We assess impairment either collectively or individually as appropriate. We assess our loans for impairment at the end of each relevant period, determine a level of allowance, and recognize any related provisions using the concept of impairment under HKFRS 9. For the loans in stage 1 and stage 2 for measurement of expected credit loss which were the “normal” loans and part of the “special-mention” loans, given that they are not impaired, we make collective assessment based primarily on factors including prevailing general market and industry conditions and historical impaired ratio. For the remaining loans, the impairment losses are assessed individually by evaluating the loss that we expect to incur on the balance sheet date.

Our “substandard” loans increased from RMB4.0 million as of 31 December 2024 to RMB9.9 million as of 30 June 2025, mainly because RMB6.0 million of the “special-mention” loans downgraded to “substandard” loans taking into account of the borrowers’ repayment ability.

The following table sets forth the key default and loss ratios reflecting the asset quality of our loan business:

	As of/For the six months ended 30 June 2025 (RMB'000, except for percentage)	As of/For the year ended 31 December 2024 (RMB'000, except for percentage)
Non-performing loan ratio⁽¹⁾	3.2%	3.7%
Balance of non-performing loans receivable	31,693	27,123
Balance of gross loans receivable	982,748	729,008
Allowance coverage ratio⁽²⁾	190.0%	216.9%
Allowance for loans losses⁽³⁾	60,232	58,823
Balance of non-performing loans receivable	31,693	27,123
Provision for impairment losses ratio⁽⁴⁾	6.1%	8.1%
Loss ratio⁽⁵⁾	18.9%	11.7%
Net charge of impairment allowance on loans receivable	9,723	13,142
Interest income	51,498	112,738

Notes:

- (1) Represents the balance of non-performing loans receivable divided by the balance of gross loans receivable. Non-performing loan ratio indicates the quality of our loan portfolio.
- (2) Represents the allowance for loans losses for all loans divided by the balance of non-performing loans receivable. The allowance for loans losses for all loans includes allowances provided for performing loans and allowances provided for non-performing loans. Allowance coverage ratio indicates the level of allowance we set aside to cover probable loss in our loan portfolio.
- (3) Allowance for loans losses reflects our management’s estimate of the probable loss in our loan portfolio.
- (4) Represents the allowance for loans losses divided by the balance of gross loans receivable. Provision for non-performing loans losses ratio measures the cumulative level of provisions.
- (5) Represents the net charge of impairment allowance on loans receivable divided by our interest income. Loss ratio is a benchmark which our management uses to monitor our financial results in relation to impairment losses incurred.

Our non-performing loans receivable increased from RMB27.1 million as of 31 December 2024 to RMB31.7 million as of 30 June 2025 as a result of the deterioration in some borrowers’ repayment ability. Our non-performing loan ratio decreased from 3.7% as of 31 December 2024 to 3.2% as of 30 June 2025 as a result of the increase in our loan size.

Management Discussion and Analysis

Compliance with Key Regulatory Requirements

The following table summarizes the key statutory capital requirements and lending restrictions applicable to us and our compliance status for the six months ended 30 June 2025:

Key requirements	Compliance status
The registered capital of a microfinance company in Fujian province shall not be lower than RMB100 million.	Our Group complied with such requirement for the six months ended 30 June 2025.
The debt to net capital ratio of a microfinance company in Quanzhou city is capped at 100%.	Our Group complied with such requirement for the six months ended 30 June 2025.
The <i>Provisions of the Supreme People's Court on Several Issues concerning the Application of Law in the Trial of Private Lending Cases (2020 Second Amendment)</i> (最高人民法院關於審理民間借貸案件適用法律若干問題的規定(2020第二次修正)) (" these Provisions ") promulgated by the Supreme People's Court (最高人民法院) on 29 December 2020 which became effective on 1 January 2021 provide that: these Provisions shall apply to any first-instance case involving a private lending dispute newly accepted by the people's court after these Provisions came into effect; for a first-instance private lending case newly accepted after 20 August 2020, if the loan contract was formed before 20 August 2020, and either party requests that the interest from the formation of the contract to 19 August 2020 be calculated according to the then judicial interpretations, the people's court shall support the request; and the interest from 20 August 2020 to the date of payment of the loan shall be calculated according to the interest rate protection standard established by these Provisions at the time of bringing the lawsuit.	Our Group complied with such applicable requirement for the six months ended 30 June 2025.
A microfinance company shall not grant loans to its own shareholders, directors, senior management and their related parties.	Our Group complied with such requirement for the six months ended 30 June 2025.
The outstanding amount of loan made to the same borrower by a microfinance company cannot exceed 10% of the net capital of such microfinance company.	Our Group complied with such requirement for the six months ended 30 June 2025.
Upon the listing of the H Shares on the main board of the Stock Exchange on 30 September 2016, the ratio of the balance of outstanding loans of up to a maximum of RMB5.0 million to a single borrower to the total balance of outstanding loans that is applicable to the Company shall not be lower than 70% (the " Amended 70% Requirement ").	Our Group complied with the Amended 70% Requirement for the six months ended 30 June 2025.

Management Discussion and Analysis

Financial Overview

Interest Income, Net

We generate substantially all of our interest income from interest on loans and accounts receivables that we provide to our customers.

The following table sets forth our interest income and interest expense for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Interest income on:		
Loans and accounts receivables	51,498	58,957
Including: Accreted interest on impaired loans	11,002	16,888
Interest expense on:		
Bank borrowings and margin loans	—	(243)
Lease liabilities	(30)	(35)
Interest income, net	51,468	58,679

Interest Income

Our interest income from short-term financings provided to entrepreneurial individuals, SMEs and microenterprises primarily consists of interest income from our performing loans. Interest income from performing loans is mainly affected by (i) the balance of our outstanding performing loans; and (ii) the effective interest rates that we charge on our performing loans.

The following table sets forth the average balance of our outstanding performing loans and corresponding average effective interests rate per annum for the periods indicated:

	For the six months ended 30 June	
	2025	2024
Average balance of outstanding performing loans ⁽¹⁾ (RMB'000)	642,937	608,735
Average effective interest rate per annum ⁽²⁾	12.60%	13.82%

Notes:

- (1) Calculated as the average balance of the principal amount of our outstanding performing loans at the end of each month for the period indicated.
- (2) Calculated by dividing the interest income for the period by the average balance of outstanding performing loans for the period multiplied by two.

Management Discussion and Analysis

Our loan business is primarily funded by our share capital as well as our bank borrowings. Our interest income decreased by 12.7% from RMB59.0 million for the six months ended 30 June 2024 to RMB51.5 million for the six months ended 30 June 2025, primarily because of the decrease in the interest rate of new loans we granted during the Reporting Period. The average balance of our outstanding performing loans increased by 5.6% from RMB608.7 million for the six months ended 30 June 2024 to RMB642.9 million for the six months ended 30 June 2025, primarily due to the increase of the loan size. For the six months ended 30 June 2024 and 2025, our average effective interest rate per annum decreased from 13.8% to 12.6%. Such decrease was primarily due to the decrease in the interest rate of new loans we granted during the Reporting Period.

Interest Expense

The following table sets forth the average balance of our borrowings and effective interest rates per annum for the periods indicated:

	For the six months ended 30 June	
	2025	2024
Average balance of borrowings ⁽¹⁾ (RMB'000)	1,417	8,832
Effective interest rate per annum ⁽²⁾	— %	5.00%

Notes:

- (1) Calculated as the average balance of our borrowings at the end of each month for the period indicated.
- (2) Calculated by dividing the interest expense for the period by the average balance of borrowings for the period multiplied by two.

Our average balance of borrowings decreased from RMB8.8 million as of 30 June 2024 to RMB1.4 million as of 30 June 2025 because we adjusted the size of borrowings to meet the capital needs.

Net Charge of Impairment Allowance on Loans and Accounts Receivable

Net charge of impairment allowance on loans and accounts receivable mainly arose from the balance of allowance for impairment loss we made in relation to our loans and accounts receivable during the relevant periods.

We review our loan portfolios periodically to assess whether any impairment losses exist and the amount of impairment losses if there are evidences of impairment. Our management reviews the methodology and assumptions used in estimating future cash flows regularly to minimize difference between loss estimates and actual loss.

Our net charge of impairment allowance on loans and accounts receivable for the six months ended 30 June 2024 and 2025 were RMB17.7 million and RMB9.7 million, respectively. Such decrease was primarily due to the improved cash flows of non-performing loan borrowers.

Management Discussion and Analysis

Operating and Administrative Expenses

Our operating and administrative expenses mainly include tax and surcharges, staff costs, service fees, depreciation and amortization expenses and others. The table below sets forth the components of our operating and administrative expenses by nature for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Tax and surcharges	463	438
Staff costs:		
Salaries, bonuses and allowances	4,764	4,832
Other social welfare	1,126	979
Service fees	1,359	1,426
Depreciation and amortization	2,304	1,772
Others	634	1,384
Total operating and administrative expenses	10,650	10,831

Our tax and surcharges primarily comprise city maintenance and construction tax and additional education fees, accounting for 4.0% and 4.3% of our operating and administrative expenses for the six months ended 30 June 2024 and 2025, respectively. Staff costs, including salaries, bonuses and allowances paid to employees, other social welfare insurance and benefits, accounted for 53.7% and 55.3% of our operating and administrative expenses for the six months ended 30 June 2024 and 2025, respectively.

Our operating and administrative expenses slightly decreased from RMB10.8 million for the six months ended 30 June 2024 to RMB10.7 million for the six months ended 30 June 2025 mainly because of the decrease in other expenses.

Net Investment Gains

Our net gains of financial assets increased from RMB12.4 million for the six months ended 30 June 2024 to RMB25.4 million for the six months ended 30 June 2025 mainly due to (i) the unrealized gains on financial assets held at fair value of RMB23.2 million; and (ii) the dividends and other income of RMB3.8 million, partially offset by the losses from disposal of financial assets of RMB1.6 million.

Other Income and Gains, Net

Our net other income and gains consists of interest from bank deposits, government grants, gain on disposal of items of property and equipment and other gains. Our net other income and gains decreased from RMB4.5 million for the six months ended 30 June 2024 to RMB2.3 million for the six months ended 30 June 2025 mainly due to the decrease in government grants of RMB2.5 million.

Other Expenses

Our other expenses increased from RMB0.4 million for the six months ended 30 June 2024 to RMB1.6 million for the six months ended 30 June 2025 mainly due to (i) the increase in the depreciation charge of investment properties of RMB0.7 million; and (ii) the additional tax and penalty of RMB0.5 million incurred for the repayment of corporate income tax in June 2025.

Management Discussion and Analysis

Income Tax Expense

During the six months ended 30 June 2024 and 2025, we were subject to the general tax rate of 25% pursuant to the Enterprise Income Tax Law (企業所得稅法) which became effective from 1 January 2008, and was amended on 24 February 2017 and became effective as from the same day. Our income tax expense for the six months ended 30 June 2024 and 2025 was RMB10.1 million and RMB14.1 million, respectively. Such increase was primarily because of the increase in profit before tax. Our effective tax rate was 21.6% and 24.6% for the same period, respectively.

In April 2025, the tax authorities issued a notice of potential issues on enterprise income tax filling and required the Company and JJHX to conduct a self-review of the payment of enterprise income tax for the year of 2023. Upon the review, it was found that, the inconsistency of the tax-deductibility rules for provision for impairment losses on loans resulted in an underpayment of RMB2.7 million of enterprise income tax and RMB0.5 million of late-payment penalty. The Company and JJHX have paid the above tax and penalty in June 2025 and no tax administrative penalties have been imposed.

The Directors confirm that we have paid all relevant taxes and are not subject to any dispute or unresolved tax issues with the relevant tax authorities in the PRC.

Net Profit and Total Comprehensive Income for the Period

As a result of the foregoing, we recorded net profit, defined as net profit and total comprehensive income, of RMB36.6 million and RMB43.1 million for the six months ended 30 June 2024 and 2025, respectively. The profit attributable to owners of the parent company for the same period was RMB33.3 million and RMB43.0 million, respectively.

Liquidity and Capital Resources

We have in the past funded our working capital and other capital requirements primarily by equity contributions from our Shareholders, bank borrowings and cash flows from operations. Our liquidity and capital requirements primarily relate to granting loans and other working capital requirements. We monitor our cash flows and cash balance on a regular basis and strive to maintain liquidity that can meet our working capital needs while supporting a healthy level of business scale and expansion.

Our gearing ratio which presented the percentage of our net debt divided by the aggregate of our capital and net debt, increased from -9.2% as of 31 December 2024 to 0.3% as of 30 June 2025, mainly because of (i) the increase in interest-bearing bank borrowings; and (ii) the decrease in cash and cash equivalents.

Management Discussion and Analysis

Cash Flows

The following table sets forth a selected summary of our cash flow statement for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Net cash flows (used in)/from operating activities	(105,776)	118,664
Net cash flows used in investing activities	(443)	(53,212)
Net cash flows from/(used in) financing activities	39,582	(28,486)
Net (decrease)/increase in cash and cash equivalents	(66,637)	36,966
Cash and cash equivalents at the beginning of the period	103,000	111,485
Effect of foreign exchange rate changes, net	5	44
Cash and cash equivalents at the end of the period	36,368	148,495

Net Cash Flows (Used in)/From Operating Activities

Our business involves a substantial amount of operating cash turnover as well as ongoing funding in the ordinary course of business undertaking, given the capital-intensive nature of short-term microfinance business.

Our cash generated from operating activities primarily consists of loans repaid by our customers and interest income from loans that we grant to customers and proceeds from disposal of financial assets at fair value through profit or loss. Net cash flows from operating activities reflect: (i) our profit before tax adjusted for non-cash and non-operating items, such as charge on impairment, interest expense, accrued interest on impaired loans, foreign exchange gain, as well as depreciation and amortization; (ii) the effects of changes in working capital; and (iii) income tax paid. Net cash used in operating activities primarily consists of loans we extend to our customers and investment of financial assets at fair value through profit or loss.

Net cash flows used in operating activities for the six months ended 30 June 2025 was RMB105.8 million. Net cash flows generated from operating activities before working capital adjustment was RMB35.0 million. Net cash inflows primarily consisted of: (i) the decrease in financial assets at fair value through profit or loss of RMB55.2 million; (ii) the decrease in securities purchased under agreements to re-sell of RMB60.1 million; and (iii) the decrease in other assets of RMB11.4 million. Cash outflows primarily consisted of: (i) the increase in loans and accounts receivables of RMB251.1 million; and (ii) the decrease in other liabilities of RMB5.5 million.

Net Cash Flows Used in Investing Activities

For the six months ended 30 June 2025, our net cash flows used in investing activities was RMB0.4 million, which was mainly consisted of the purchase of property and equipment.

Net Cash Flows From/(Used in) Financing Activities

For the six months ended 30 June 2025, our net cash flows from financing activities was RMB39.6 million, which mainly consisted of the new bank borrowings of RMB40.0 million.

Management Discussion and Analysis

Cash Management

We have established certain management measures to manage our liquidity. As our business relies primarily on its available cash, we normally set aside a sufficient amount of cash for general working capital needs, such as administrative expenses and payment of interests on bank borrowings, and use substantially all of the remainder for granting loans to our customers. As of 31 December 2024 and 30 June 2025, the total cash and cash equivalents amounted to RMB103.0 million and RMB36.4 million, respectively, which we consider to be adequate based on our actual working capital needs.

Selected Items of the Statements of Financial Position

Cash and Cash Equivalents

Cash and cash equivalents primarily consist of our cash on hand and cash at banks. As of 31 December 2024 and 30 June 2025, we had cash and cash equivalents of RMB103.0 million and RMB36.4 million, respectively. Such decrease in our cash and cash equivalents was primarily due to the increase in the balance of our loans.

Loans and Accounts Receivable

Our loans and accounts receivable consist of net lease receivables and loans receivable. We consider a financial asset in default when it is overdue for more than 90 days.

The following table sets forth our loans and accounts receivable and allowance for impairment losses as of the dates indicated:

	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000
Net lease receivables	193	193
Loans receivable	982,748	729,008
Total loans and accounts receivable	982,941	729,201
Less: Allowance for impairment losses	(60,425)	(59,016)
Net loans and accounts receivable	922,516	670,185

Our net loans receivable increased from RMB670.2 million as of 31 December 2024 to RMB922.5 million as of 30 June 2025, primarily because of the increase in capital needs of enterprises.

Management Discussion and Analysis

As of 30 June 2025, our maturity profiles within one year and over one year accounted for 93.3% and 6.7% of the total loans receivable, respectively. The following table sets forth a maturity portfolio of our gross loans receivable as of the dates indicated:

	As of 30 June 2025		As of 31 December 2024	
	RMB'000	%	RMB'000	%
Past due	193,162	19.7	190,109	26.1
Due within three months	94,085	9.6	38,988	5.3
Due between three months and six months	197,406	20.0	164,605	22.6
Due between six months and one year	431,983	44.0	294,339	40.4
Due over one year	66,112	6.7	40,967	5.6
Total	982,748	100.0	729,008	100.0

Investment Properties

The carrying amount of investment properties decreased from RMB62.7 million as of 31 December 2024 to RMB61.6 million as of 30 June 2025 because of the depreciation charge for the Reporting Period.

Goodwill

Our goodwill remained at RMB5.6 million as of 31 December 2024 and 30 June 2025.

Deferred Tax Assets

The deferred tax assets increased from RMB24.3 million as of 31 December 2024 to RMB25.8 million as of 30 June 2025, mainly due to the increase in deductible temporary differences arising from impairment allowance for loans.

Other Assets

Our other assets decreased from RMB23.3 million as of 31 December 2024 to RMB13.4 million as of 30 June 2025, primarily due to the decrease in prepayment and deposit. The following table sets forth a breakdown of our other assets as of the dates indicated:

	As of 30 June 2025 RMB'000	As of 31 December 2024 RMB'000
Reposessed assets	8,060	8,060
Prepayment and deposit	—	11,940
Other receivables	1,718	1,330
Deferred and prepaid expenses	3,661	1,946
Total other assets	13,439	23,276

Management Discussion and Analysis

Other Payables

Our other payables mainly include dividends payable, value-added tax and surcharges payable, deposits, securities settlement payable and others. As of 31 December 2024 and 30 June 2025, our other payables were RMB10.0 million and RMB38.4 million, respectively. Such increase was primarily due to the increase in dividends payable of RMB34.0 million.

Indebtedness

Interest-bearing Bank Borrowings

The following table sets forth our outstanding borrowings as of the dates indicated:

	As of 30 June 2025 RMB'000 (Unaudited)	As of 31 December 2024 RMB'000 (Audited)
Guaranteed bank borrowings	40,000	—
Total	40,000	—

Lease Liabilities

Our lease liabilities decreased from RMB1.0 million as of 31 December 2024 to RMB0.6 million as of 30 June 2025, mainly because of the lease payment of RMB0.4 million.

Contingent Liabilities

We had no significant contingent liabilities as of 30 June 2025.

Capital Expenditures

Our capital expenditures primarily consist of (i) the purchase of intangible assets; and (ii) the purchase of fixtures and office furniture and equipment. The table sets forth our capital expenditures for the periods indicated:

	For the six months ended 30 June	
	2025 RMB'000	2024 RMB'000
Capital expenditures — Micro-credit business	468	65,504
Total	468	65,504

Management Discussion and Analysis

Commitment and Contractual Obligations

Capital Commitments

We did not have any capital commitment during the Reporting Period.

Foreign Currency Exposure

Our Group did not use any derivative financial instruments to hedge the risk of exchange rate changes since almost all of our revenue was from Mainland China for the six months ended 30 June 2025.

Off-balance Sheet Arrangements

As of 30 June 2025, we did not have any off-balance sheet arrangements.

Material Investments, Acquisition and Disposals

There were no material investments (including any investment with a value of 5% or more of the Company's total assets), acquisitions or disposals for the six months ended 30 June 2025.

Future Plans for Material Investments and Expected Sources of Funding

Other than bank loans we obtained from commercial banks, we also consider issuing bonds or conducting income rights transfer and repurchase financing or other investments plans or choices. Nevertheless, as of the date of this report, we do not have any firm intention or formulated any specific plan on material external financing in the short term.

Save as disclosed above, our Group had no future plans for material investments or external financing as of 30 June 2025.

Charge on Our Group's Assets

As of 30 June 2025, we did not have any charges on our Group's assets.

Employment and Emoluments

As of 30 June 2025, our Group had 52 employees, all of whom were based in the PRC. Our employees' remuneration has been paid in accordance with applicable laws and regulations in the PRC. Appropriate salaries and bonuses were paid with reference to the actual practices of the Company. Other corresponding benefits include pension, unemployment insurance and housing allowance.

Continuing Disclosure Requirements Under the Listing Rules

As of 30 June 2025, our Group did not involve in any circumstances that would give rise to a disclosure requirement under Rules 13.12 to 13.19 of the Listing Rules.

Management Discussion and Analysis

Prospects

Looking ahead to 2025, the global economy is projected to sustain steady growth, albeit at a slightly slower pace than historical averages. Developed economies such as the United States and Europe, are expected to experience a modest slowdown, while emerging economies such as China and India are expected to maintain robust growth momentum. Trade barriers and technological restrictions may increase, potentially affecting global trade and investment flows. Nevertheless, as the global economy recovers, trade demand is expected to pick up, leading to a moderate expansion in global trade volumes. Global inflationary pressures are expected to ease gradually, with major economies potentially entering a cycle of interest rate cuts, which could provide support for economic growth. However, risks such as geopolitical tensions and energy price volatility may continue to influence inflation dynamics. In 2025, China's economy is expected to maintain a stable and progressive trajectory, although the growth rate may slow down somewhat. Despite the increasing positive factors in the domestic economic landscape, insufficient domestic demand remains the most significant constraint. Given the above, the government will continue to intensify macroeconomic regulation, deepen reforms and opening-up, expand domestic demand, and optimize the economic structure to drive high-quality economic development.

Against the background of complex and ever-changing domestic and international economic landscape in 2025, the Company will keep following regulatory policies closely and ensure compliant operations. It will innovate financial products to meet diverse needs, expand customer channels to enhance brand influence, improve service efficiency to optimize customer experience, and strengthen team building to elevate professional capabilities. The Company is committed to increasing Shareholder returns and contributing to society development.

Other Information

Directors', Supervisors' and Chief Executives' Interests in Securities

As of 30 June 2025, the interests or short positions of the Directors, Supervisors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code, are as follows:

Name	Position	Nature of interest	Number of Shares ⁽¹⁾	Percentage in the relevant class of share capital ⁽²⁾	Percentage in the total issued share capital ⁽³⁾
Mr. Zhou Yongwei	Executive Director	Interest in controlled corporation ⁽⁴⁾	203,932,000 Domestic Shares (L)	40.79%	29.99%
Mr. Jiang Haiying	Non-executive Director	Interest in controlled corporation ⁽⁵⁾	50,000,000 Domestic Shares (L)	10.00%	7.35%
Mr. Yang Dong John	Independent non-executive Director	Beneficial owner	14,000 H Shares (L)	0.0078%	0.0021%

Notes:

- (1) The letter "L" denotes a person's long position (as defined under Part XV of the SFO) in Domestic Shares or H Shares (as the case may be).
- (2) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares (as the case may be) as of 30 June 2025.
- (3) The calculation is based on the total number of 680,000,000 Shares in issue which comprised of 180,000,000 H Shares and 500,000,000 Domestic Shares as of 30 June 2025.
- (4) Fujian Septwolves Group is directly interested in approximately 40.79% of the issued Domestic Shares. The disclosed interest represents the interest in the Company held by Fujian Septwolves Group, which is in turn approximately 37.82% owned by Mr. Zhou Yongwei, approximately 31.09% owned by Mr. Zhou Shaoxiong and approximately 31.09% owned by Mr. Zhou Shaoming. Mr. Zhou Yongwei controls more than one-third of the voting rights of Fujian Septwolves Group and is therefore deemed to be interested in its interest in the Company by virtue of the SFO.
- (5) Quanzhou Haoxiang is directly interested in approximately 10% of the issued Domestic Shares. The disclosed interest represents the interest in the Company held by Quanzhou Haoxiang, which is in turn approximately 61.08% owned by Fujian Haoxiang Gardening (a company owned as to 63.33% by Mr. Jiang Haiying), approximately 34.05% owned by Mr. Jiang Haiying and approximately 4.87% owned by Fujian Huian Haoda. Therefore, Mr. Jiang Haiying is deemed to be interested in Quanzhou Haoxiang's interest in the Company by virtue of the SFO.

Save as disclosed above, as of 30 June 2025, none of the Directors, Supervisors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations, within the meaning of Part XV of the SFO, which will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange.

Other Information

Interests and Short Positions of Substantial Shareholders

As at 30 June 2025, the persons or corporations (other than a Director, Supervisor or the chief executive of the Company) who had an interest or short position in the Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO were as follows:

Shareholders	Nature of interest	Number of Shares ⁽¹⁾	Percentage in the relevant class of share capital ⁽²⁾	Percentage in the total issued share capital ⁽³⁾
Fujian Septwolves Group	Beneficial owner	203,932,000 Domestic Shares (L)	40.79%	29.99%
Xiamen Shunyingtong	Beneficial owner	67,932,000 Domestic Shares (L)	13.59%	9.99%
Xiamen Jiayucheng ⁽⁴⁾	Interest in controlled corporation	67,932,000 Domestic Shares (L)	13.59%	9.99%
Xiamen Yulang Gongwu ⁽⁴⁾	Interest in controlled corporation	67,932,000 Domestic Shares (L)	13.59%	9.99%
Mr. Tsai Hiu Chuck ⁽⁴⁾	Interest in controlled corporation	67,932,000 Domestic Shares (L)	13.59%	9.99%
Ms. Wu Di ⁽⁴⁾	Interest in controlled corporation	67,932,000 Domestic Shares (L)	13.59%	9.99%
Quanzhou Yuanpeng	Beneficial owner	57,248,000 Domestic Shares (L)	11.45%	8.42%
Wealth Success ⁽⁵⁾	Interest in controlled corporation	57,248,000 Domestic Shares (L)	11.45%	8.42%
Ms. Hong Jingxiao ⁽⁵⁾	Interest in controlled corporation	57,248,000 Domestic Shares (L)	11.45%	8.42%
Fujian Panpan	Beneficial owner	54,458,000 Domestic Shares (L)	10.89%	8.01%
Mr. Cai Jinan ⁽⁶⁾	Interest in controlled corporation	54,458,000 Domestic Shares (L)	10.89%	8.01%
Quanzhou Haoxiang	Beneficial owner	50,000,000 Domestic Shares (L)	10.00%	7.35%

Other Information

Shareholders	Nature of interest	Number of Shares ⁽¹⁾	Percentage in the relevant class of share capital ⁽²⁾	Percentage in the total issued share capital ⁽³⁾
Fujian Haoxiang Gardening ⁽⁷⁾	Interest in controlled corporation	50,000,000 Domestic Shares (L)	10.00%	7.35%
Mr. Tsai Hiu Chuk ⁽⁸⁾	Interest in controlled corporation	37,453,639 H Shares (L)	20.81%	5.51%
Glory Asiapac Holdings Limited ⁽⁸⁾	Interest in controlled corporation	37,453,639 H Shares (L)	20.81%	5.51%
Cheer Spread Enterprise Limited	Beneficial owner	37,453,639 H Shares (L)	20.81%	5.51%
Ms. Hong Erguan	Beneficial owner	31,336,000 H Shares (L)	17.41%	4.61%
Mr. Cai Jianchu	Beneficial owner	30,954,000 H Shares (L)	17.20%	4.55%
Ms. Cheng Chau Yuet ⁽⁹⁾	Beneficial owner	330,000 H Shares (L)		
	Interest of spouse	29,396,000 H Shares (L)		
		29,726,000 H Shares (L)	16.51%	4.37%
Mr. Chong Ming Ting ⁽¹⁰⁾	Interest in controlled corporation	29,276,000 H Shares (L)		
	Beneficial owner	120,000 H Shares (L)		
	Interest of spouse	330,000 H Shares (L)		
		29,726,000 H Shares (L)	16.51%	4.37%

Other Information

Shareholders	Nature of interest	Number of Shares ⁽¹⁾	Percentage in the relevant class of share capital ⁽²⁾	Percentage in the total issued share capital ⁽³⁾
Good Rising Investments Limited	Beneficial owner	29,444,361 H Shares (L)	16.36%	4.33%
Pleasant Advent Limited ⁽¹¹⁾	Interest in controlled corporation	29,444,361 H Shares (L)	16.36%	4.33%
Ms. Wong Sze Ying Chloe ⁽¹¹⁾	Interest in controlled corporation	29,444,361 H Shares (L)	16.36%	4.33%
Grand Wealth (HK) Investment Limited	Beneficial owner	29,276,000 H Shares (L)	16.26%	4.31%
Mr. Xu Yingyi	Beneficial owner	11,508,000 H Shares (L)	6.39%	1.69%

Notes:

- (1) The letter “L” denotes a person’s long position (as defined under Part XV of the SFO) in Domestic Shares or H Shares (as the case may be).
- (2) The calculation is based on the percentage of shareholding in Domestic Shares or H Shares (as the case may be) as of 30 June 2025.
- (3) The calculation is based on the total number of 680,000,000 Shares in issue which comprised of 180,000,000 H Shares and 500,000,000 Domestic Shares as of 30 June 2025.
- (4) The disclosed interest represents the interest in the Company held by Xiamen Shunyingtong which is in turn approximately 50% owned by Xiamen Jiayucheng, a company wholly owned by Ms. Wu Di, and approximately 50% owned by Xiamen Yulang Gongwu, which is wholly owned by Hoi Pok (Hong Kong) Trading Company (海博(香港)貿易公司), a company wholly owned by Mr. Tsai Hiu Chuk. Therefore, each of Xiamen Jiayucheng, Xiamen Yulang Gongwu, Ms. Wu Di and Mr. Tsai Hiu Chuk is deemed to be interested in Xiamen Shunyingtong’s interest in the Company by virtue of the SFO.
- (5) Quanzhou Yuanpeng is directly interested in approximately 11.45% of the issued Domestic Shares. The disclosed interest represents the interest in the Company held by Quanzhou Yuanpeng, which is in turn wholly owned by Wealth Success, a company wholly owned by Ms. Hong Jingxiao. Therefore, each of Wealth Success and Ms. Hong Jingxiao is deemed to be interested in Quanzhou Yuanpeng’s interest in the Company by virtue of the SFO.
- (6) The disclosed interest represents the interest in the Company held by Fujian Panpan, which is in turn approximately 80% owned by Mr. Cai Jinan. Therefore, Mr. Cai Jinan is deemed to be interested in Fujian Panpan’s interest in the Company by virtue of the SFO.
- (7) The disclosed interest represents the interest in the Company held by Quanzhou Haoxiang, which is in turn approximately 61.08% owned by Fujian Haoxiang Gardening, a company owned as 63.33% by Mr. Jiang Haiying, approximately 34.05% owned by Mr. Jiang Haiying and approximately 4.87% owned by Fujian Huian Haoda. Therefore, Fujian Haoxiang Gardening is deemed to be interested in Quanzhou Haoxiang’s interest in the Company by virtue of the SFO.
- (8) Cheer Spread Enterprise Limited is directly interested in approximately 20.81% of the issued H Shares. The disclosed interest represents the interest in the Company held by Cheer Spread Enterprise Limited, which is wholly owned by Glory Asiapac Holdings Limited, a company 100% owned by Mr. Tsai Hui Chuk. Therefore, each of Glory Glory Asiapac Holdings Limited and Mr. Tsai Hui Chuk is deemed to be interested in Cheer Spread Enterprise Limited’s interest in the Company by virtue of the SFO.

Other Information

- (9) Ms. Cheng Chau Yuet is deemed to be interested in the 29,396,000 H Shares held by her spouse Mr. Chong Ming Ting by virtue of the SFO.
- (10) Grand Wealth (HK) Investment Limited is directly interested in approximately 16.26% of the issued H Shares. The disclosed interest represents the interest in the Company held by Grand Wealth (HK) Investment Limited, which is wholly owned by Mr. Chong Ming Ting. Therefore, Mr. Chong Ming Ting is deemed to be interested in Grand Wealth (HK) Investment Limited's interest in the Company by virtue of the SFO. In addition, Mr. Chong Ming Ting is deemed to be interested in the 330,000 H Shares held by his spouse Ms. Cheng Chau Yuet by virtue of the SFO.
- (11) Good Rising Investments Limited is directly interested in approximately 16.36% of the issued H Shares. The disclosed interest represents the interest in the Company held by Good Rising Investments Limited, which is wholly owned by Pleasant Advent Limited, a company wholly owned by Ms. Wong Sze Ying Chloe. Therefore, each of Pleasant Advent Limited and Ms. Wong Sze Ying Chole is deemed to be interested in Good Rising Investment Limited's interest in the Company by virtue of the SFO.

Save as disclosed above, as of 30 June 2025, the Directors were not aware of any other person or corporation having an interest or short position in Shares and underlying Shares which were required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept under section 336 of the SFO.

Corporate Governance Report

Our Group is committed to maintaining high standards of corporate governance and protecting the interests of its Shareholders in an open manner. The Board and the management of the Company has adopted the code provisions (the “**Code Provisions**”) of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules and reviewed its corporate governance practice from time to time. During the Reporting Period, the Company has fully complied with the Code Provisions.

Continuing Disclosure Requirements Under the Listing Rules

As of 30 June 2025, the Directors have confirmed that they are not aware of any circumstances that would give rise to a disclosure requirement under Rules 13.12 to 13.19 of the Listing Rules.

Updates on Directors' and Supervisors' Information

Mr. Jiang Bin appointed as the executive Director, chairman of the Board and member of the remuneration committee of the Company on 12 June 2025 in replace of Mr. Wu Zhirui. For more details, please refer to the circular dated 25 April 2025 and the announcement dated 12 June 2025.

Save as disclosed above, there was no change in the information of the Directors and Supervisors required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules since the date of the Board meeting approving the 2024 annual report up to the date of Board meeting approving this report.

Model Code for Securities Transactions

The Company has adopted the Model Code as the code of conduct for carrying out securities transactions of the Company by the Directors and Supervisors. After specific enquiry with all Directors and Supervisors, they have confirmed fully compliance with the relevant standards stipulated in the Model Code during the Reporting Period.

Other Information

Purchase, Sale or Redemption of the Company's Listed Securities

Our Group has not purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 June 2025 (including sale of treasury Shares, if any).

Interim Dividend

The Board does not recommend any interim dividend for the six months ended 30 June 2025.

Events After the Reporting Period

Save as disclosed in the note 31 to the interim condensed consolidated financial information, no significant event after the Reporting Period needs to be disclosed.

Audit Committee

The Audit Committee has reviewed and discussed with the management the accounting principles and practices adopted by our Group, internal controls and financial report matters, and our Group's policies and practices on corporate governance. The unaudited interim report has been reviewed by the Audit Committee and the auditor of the Company, Ernst & Young. There is no disagreement by the auditor of the Company or the Audit Committee with the accounting treatment adopted by the Company.

Independent Review Report

To the board of directors of Quanzhou Huixin Micro-credit Co., Ltd.

(Incorporated in the People's Republic of China with limited liability)

Introduction

We have reviewed the interim financial information set out on pages 28 to 54, which comprises the condensed consolidated statement of financial position of Quanzhou Huixin Micro-credit Co., Ltd. (the “**Company**”) and its subsidiaries (the “**Group**”) as at 30 June 2025 and the related condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 *Interim Financial Reporting* (“**HKAS 34**”) as issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”). The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the HKICPA. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial information is not prepared, in all material respects, in accordance with HKAS 34.

Certified Public Accountants

Hong Kong
27 August 2025

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the six months ended 30 June 2025

(Amounts expressed in RMB unless otherwise stated)

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
Interest income	5	51,497,624	58,957,248
Interest expense	5	(29,932)	(278,120)
Interest income, net		51,467,692	58,679,128
Impairment losses on loans and accounts receivables, net	6	(9,723,298)	(17,734,199)
Operating and administrative expenses		(10,649,515)	(10,830,673)
Foreign exchange gain, net		5,080	43,836
Net investment gains	7	25,389,612	12,387,004
Other income and gains	8	2,326,402	4,543,054
Other expenses		(1,633,631)	(368,980)
PROFIT BEFORE TAX	9	57,182,342	46,719,170
Income tax expense	10	(14,067,498)	(10,088,325)
NET PROFIT AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		43,114,844	36,630,845
Attributable to:			
Owners of the parent		43,014,177	33,251,157
Non-controlling interests		100,667	3,379,688
		43,114,844	36,630,845
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic		0.06	0.05
Diluted		0.06	0.05

Interim Condensed Consolidated Statement of Financial Position

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
ASSETS			
Cash and cash equivalents	13	36,368,173	103,000,233
Securities purchased under agreements to re-sell		—	60,097,641
Financial assets at fair value through profit or loss	14	248,284,436	280,304,315
Loans and accounts receivables	15	922,515,995	670,185,381
Property, plant and equipment	16	8,489,024	8,658,634
Investment properties	17	61,631,225	62,743,372
Right-of-use assets	18	418,186	892,037
Goodwill	19	5,579,423	5,579,423
Other intangible assets		137,203	101,092
Deferred tax assets	20	25,783,253	24,272,833
Other assets	21	13,438,635	23,274,528
TOTAL ASSETS		1,322,645,553	1,239,109,489
LIABILITIES			
Interest-bearing bank borrowings	22	40,000,000	—
Lease liabilities	18	614,118	951,565
Income tax payable		3,776,018	3,104,029
Deferred tax liabilities	20	9,518,720	3,889,862
Other payables	23	38,442,070	9,984,250
TOTAL LIABILITIES		92,350,926	17,929,706
NET ASSETS		1,230,294,627	1,221,179,783
EQUITY			
Equity attributable to owners of the parent			
Share capital	24	680,000,000	680,000,000
Reserves	25	177,974,290	175,987,158
Retained profits		370,744,209	363,717,164
Equity attributable to owners of the parent		1,228,718,499	1,219,704,322
Non-controlling interests		1,576,128	1,475,461
TOTAL EQUITY		1,230,294,627	1,221,179,783

Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2025

(Amounts expressed in RMB unless otherwise stated)

	For the six months ended 30 June 2025 (Unaudited)								
	Attributable to owners of the parent							Non-controlling interests	Total equity
	Reserves								
	Share capital	Capital reserve	Surplus reserve	General reserve	Retained profits	Total			
At 1 January 2025 (Audited)	680,000,000	78,285,908	78,646,837	19,054,413	363,717,164	1,219,704,322	1,475,461	1,221,179,783	
Net profit and total comprehensive income for the period	—	—	—	—	43,014,177	43,014,177	100,667	43,114,844	
Appropriation to general reserve	—	—	—	1,987,132	(1,987,132)	—	—	—	
Distribution to shareholders (Note 11)	—	—	—	—	(34,000,000)	(34,000,000)	—	(34,000,000)	
Balance as at 30 June 2025 (Unaudited)	680,000,000	78,285,908	78,646,837	21,041,545	370,744,209	1,228,718,499	1,576,128	1,230,294,627	

For the six months ended 30 June 2024 (Unaudited)

	Attributable to owners of the parent							Non-controlling interests	Total equity
	Reserves					Total			
	Share capital	Capital reserve	Surplus reserve	General reserve	Retained profits				
At 1 January 2024 (Audited)	680,000,000	75,390,551	75,765,492	19,054,413	308,884,907	1,159,095,363	109,426,149	1,268,521,512	
Net profit and total comprehensive income for the period	—	—	—	—	33,251,157	33,251,157	3,379,688	36,630,845	
Distribution to shareholders	—	—	—	—	(34,000,000)	(34,000,000)	(8,177,677)	(42,177,677)	
Equity transactions with non-controlling interests	—	(156,817)	—	—	—	(156,817)	(18,390,332)	(18,547,149)	
Balance as at 30 June 2024 (Unaudited)	680,000,000	75,233,734	75,765,492	19,054,413	308,136,064	1,158,189,703	86,237,828	1,244,427,531	

Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2025
(Amounts expressed in RMB unless otherwise stated)

	Notes	Six months ended 30 June	
		2025 (Unaudited)	2024 (Unaudited)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		57,182,342	46,719,170
Adjustments for:			
Unrealised fair value changes in financial instruments at fair value through profit or loss		(23,229,036)	(13,692,145)
Depreciation of property and equipment		622,501	837,557
Depreciation of right-of-use assets		524,260	484,608
Amortisation of other intangible assets		45,499	81,249
Depreciation of investment properties		1,112,147	368,876
Impairment of loans and accounts receivables	6	9,723,298	17,734,199
Accreted interest on impaired loans		(11,002,417)	(16,887,589)
Foreign exchange gain, net		(5,080)	(43,836)
Gain on disposal of items of property, plant and equipment		(41,864)	(438)
Interest expense	5	29,932	278,120
		34,961,582	35,879,771
Decrease in financial assets at fair value through profit or loss		55,248,915	13,284,220
Decrease in securities purchased under agreements to re-sell		60,097,641	—
(Increase)/decrease in loans and accounts receivables		(251,051,495)	96,399,577
Decrease/(increase) in other assets		11,397,780	(2,186,278)
Decrease in other payables		(5,495,018)	(4,614,006)
Net cash flows (used in)/from operating activities before tax		(94,840,595)	138,763,284
Income tax paid		(10,935,315)	(20,098,418)
Net cash flows (used in)/from operating activities		(105,775,910)	118,664,866
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property and equipment, other intangible assets and other long-term assets		(508,160)	(53,224,698)
Disposal of items of property and equipment		64,718	12,748
Net cash flows used in investing activities		(443,442)	(53,211,950)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		40,000,000	—
Repayment of interest-bearing borrowing		—	(87,000)
Interest paid		—	(1,190,138)
Dividends paid to non-controlling shareholders		—	(8,177,677)
Principal portion of lease payments		(417,788)	(484,504)
Acquisition of non-controlling interests		—	(18,547,149)
Net cash flows from/(used in) financing activities	26	39,582,212	(28,486,468)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(66,637,140)	36,966,448
Cash and cash equivalents at beginning of the period		103,000,233	111,484,915
Effect of foreign exchange rate changes, net		5,080	43,836
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	13	36,368,173	148,495,199

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

1. Corporate and Group Information

Quanzhou Huixin Micro-credit Co., Ltd. (the “**Company**”) was established as a limited liability company in the PRC on 8 January 2010. The Company is a joint stock company incorporated in the PRC and its registered office is located at No. 785-24 Xinmen Street, Licheng District, Quanzhou City, Fujian Province, the PRC.

During the period, the principal activities of the Company and its subsidiaries (collectively referred to as the “**Group**”) were the provision of loans to small and medium enterprises (“**SMEs**”), microenterprises and local entrepreneurial individuals, treasury operation and investment consulting services.

Information about subsidiaries

As at 30 June 2025, the following list contains the particulars of the main subsidiaries which affected the results, assets or liabilities of the Group.

Name	Place of incorporation and kind of legal entity	Registered capital	Paid-up capital	Percentage of ownership interest held by the Company		Principal activities and place of operations
				Direct	Indirect	
Quanzhou Huixinxing Investment Co., Ltd. (“ Huixinxing ”)	Quanzhou, China Corporation	RMB 50,000,000	RMB 50,000,000	100.0%	—	Investment and advisory services, Quanzhou
Quanzhou Huizhixin Investment Co., Ltd.	Quanzhou, China Corporation	United States dollars (“ USD ”) 10,000,000	USD 10,000,000	—	99.0%	Investment, Quanzhou
Jinjiang Huixin Microfinance Co., Ltd. (“ JJHX ”)	Jinjiang, China Corporation	RMB 320,000,000	RMB 320,000,000	99.8%	—	Provision of micro-credit, Jinjiang
Fujian Huishangxing Asset Operation Co., Ltd.	Jinjiang, China Corporation	RMB 10,000,000	RMB 10,000,000	—	100.0%	Investment, Jinjiang
Jinjiang Houdexin Information Service Co., Ltd.	Jinjiang, China Corporation	RMB 5,000,000	RMB 5,000,000	—	100.0%	Information technology advisory services, Jinjiang
Xiamen Huihengcheng Trading Co., Ltd.	Xiamen, China Corporation	RMB 5,078,000	RMB 5,078,000	—	100.0%	Wholesale, Xiamen
Jinjiang Huijincheng Investment Consulting Co., Ltd. (“ Huijincheng ”)	Jinjiang, China Corporation	RMB 5,000,000	RMB 500,000	—	100.0%	Management advisory services, Jinjiang
Sichuan Puquan Trading Co., Ltd.*	Sichuan, China Corporation	RMB 65,000,000	RMB 65,000,000	—	100.0%	Wholesale, Sichuan
Sichuan Xianpai Lingzhi Group Limited (“ Sichuan Xianpai ”)	Sichuan, China Corporation	RMB 40,000,000	RMB 40,000,000	—	100.0%	Food manufacturing, Sichuan

* In February 2025, Huixinxing contributed RMB55 million to Sichuan Puquan Trading Co., Ltd.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

2. Basis of Preparation

The interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual consolidated financial statements for the year ended 31 December 2024. The interim condensed consolidated financial information is presented in RMB.

3. Changes in Accounting Policies

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2024, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21	<i>Lack of Exchangeability</i>
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The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

4. Segment Reporting

Almost all of the Group's revenue was generated from the micro-credit business. The Company's chief operating decision makers focus on the operating results of the Group as a whole. Accordingly, no segment analysis or information about the Group's products and services is presented.

Geographical information

Almost all of the Group's revenue generated from external customers and assets were located in Quanzhou, Fujian Province in the PRC during the Reporting Period.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

5. Interest Income

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Interest income on:		
Loans and accounts receivables	51,497,624	58,957,248
Including: Accreted interest on impaired loans	11,002,417	16,887,589
Interest expense on:		
Bank borrowings and margin loans	—	(243,254)
Lease liabilities	(29,932)	(34,866)
Interest income, net	51,467,692	58,679,128

6. Impairment Losses on Loans and Accounts Receivables

The table below shows the expected credit loss (“ECL”) charges on the financial instruments recorded in profit or loss for the period:

Six months ended 30 June 2025	Stage 1 Collective (Unaudited)	Stage 2 Collective (Unaudited)	Stage 3 (Unaudited)	Total (Unaudited)
Loans and accounts receivables	1,895,449	2,140,576	5,687,273	9,723,298
Total impairment losses	1,895,449	2,140,576	5,687,273	9,723,298

Six months ended 30 June 2024	Stage 1 Collective (Unaudited)	Stage 2 Collective (Unaudited)	Stage 3 (Unaudited)	Total (Unaudited)
Loans and accounts receivables	(857,625)	(1,217,299)	19,809,123	17,734,199
Total impairment losses	(857,625)	(1,217,299)	19,809,123	17,734,199

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

7. Net Investment Gains

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Dividends and other income	3,755,695	1,411,932
Net realised losses	(1,595,119)	(2,717,073)
Financial assets at fair value through profit or loss	(1,595,119)	(1,874,946)
Financial liabilities at fair value through profit or loss	—	(842,127)
Unrealised gains	23,229,036	13,692,145
Financial assets at fair value through profit or loss	23,229,036	12,850,018
Financial liabilities at fair value through profit or loss	—	842,127
Total	25,389,612	12,387,004

8. Other Income and Gains, Net

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Government grants	1,160,000	3,643,651
Interest from bank deposits	218,189	783,226
Gain on disposal of items of property, plant and equipment	41,864	438
Others	906,349	115,739
Total	2,326,402	4,543,054

9. Profit Before Tax

The Group's profit before tax is arrived at after charging:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Depreciation and amortisation	2,304,407	1,772,290
Staff costs:		
Salaries, bonuses and allowances	4,764,068	4,832,037
Other social welfare	1,125,939	978,783
Impairment losses on loans and accounts receivables	9,723,298	17,734,199
Auditor's remuneration	471,698	471,698

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

10. Income Tax Expense

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Current income tax	9,949,060	9,925,319
Deferred income tax	4,118,438	163,006
Total	14,067,498	10,088,325

The Group conducts all of its businesses in Mainland China and the applicable income tax rate is generally 25%, except for some subsidiaries of the Group which are qualifying entities under the lower income tax rate in accordance with the PRC Corporate Income Tax Law, which was approved and became effective on 1 January 2008.

A reconciliation of the tax expense applicable to profit before tax using the statutory rate for the jurisdiction in which the Group is domiciled or operated to the tax expense at the effective tax rate is as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Profit before tax	57,182,342	46,719,170
Tax at the applicable tax rate of 25%	14,295,585	11,679,792
Lower tax rate for specific provinces or enacted by local authority	(151,795)	114,062
Adjustments in respect of current tax and deferred tax of previous periods	189,438	(1,643,155)
Income not subject to tax	(503,434)	(105,543)
Expenses not deductible for tax purposes	167,257	18,592
Tax losses not recognised	70,447	24,577
Total tax expense for the period at the Group's effective tax rate	14,067,498	10,088,325

11. Dividends

A dividend of RMB0.05 per ordinary share in respect of the profit for the year ended 31 December 2024 amounting to RMB34 million was approved at the annual general meeting of the Company held on 12 June 2025. The dividend of RMB34 million was not distributed and recorded in other liabilities as at 30 June 2025. Such dividend was distributed on 15 August 2025.

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares outstanding during the period, as adjusted to reflect the rights issue during the period.

No adjustment has been made to the basic earnings per share amount presented for the period in respect of a dilution as the Company had no potentially dilutive ordinary shares outstanding during the period.

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the parent, used in the basic and diluted earnings per share calculation	43,014,177	33,251,157
Shares		
Weighted average number of ordinary shares outstanding during the period used in the basic and diluted earnings per share calculation	680,000,000	680,000,000
Basic and diluted earnings per share	0.06	0.05

13. Cash and Cash Equivalents

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Cash on hand	—	23,450
Cash at banks	33,853,355	101,244,498
Cash equivalents	2,514,818	1,732,285
Total	36,368,173	103,000,233

At the end of the Reporting Period, the cash and bank balances of the Group denominated in USD amounted to RMB1,681,904 (31 December 2024: RMB2,876,273). Cash at banks earns interest at floating rates based on daily bank deposit rates.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

14. Financial Assets at Fair Value Through Profit or Loss

	Notes	30 June 2025 (Unaudited)	31 December 2024 (Audited)
At fair value through profit or loss:			
Wealth management products	(a) (b)	341,707	30,265,314
Structured deposits	(b)	—	21,000,000
Listed equity investments	(c)	201,722,838	177,612,999
Designated as at fair value through profit or loss:			
Unlisted equity investments and private equity funds	(d)	46,219,891	51,426,002
Total		248,284,436	280,304,315

- (a) Wealth management products purchased from time to time, which are held for a relatively short period of time, were offered by licensed commercial banks in the PRC.
- (b) Wealth management products and structured deposits were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.
- (c) The listed equity investments were classified as financial assets at fair value through profit or loss as they were held for trading.
- (d) The unlisted equity investments and private equity funds were designated as at fair value through profit or loss on the basis that they are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Group.

15. Loans and Accounts Receivables

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Loans receivable	982,747,680	729,008,189
Lease receivables	247,674	247,674
Less: Unearned finance income	(54,702)	(54,702)
Net lease receivables	192,972	192,972
Less: Allowance for impairment	(60,424,657)	(59,015,780)
Net carrying amount	922,515,995	670,185,381

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

15. Loans and Accounts Receivables (Continued)

The Group seeks to maintain strict control over its outstanding loans receivable to minimise credit risk. Overdue balances are reviewed regularly by management.

The Group's loans receivable consisted of credit loans, guaranteed loans and collateral-backed loans. As at 30 June 2025, 5.9% (31 December 2024: 5.0%) of loans receivable were guaranteed loans, and 94.1% (31 December 2024: 92.9%) of loans receivable were collateral-backed loans. As at 30 June 2025, the Group's loans receivable included an amount of RMB135.3 million (31 December 2024: RMB81.1 million) provided to customers for their purpose of purchasing non-performing loans ("NPLs") and the related collateral items from asset management companies and banks.

An analysis of changes in the gross carrying amounts and the corresponding ECL allowances in relation to loans and accounts receivables is as follows:

	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
Gross carrying amount as at 1 January 2024 (Audited)	479,670,016	175,493,942	274,061,197	929,225,155
New	854,501,910	—	—	854,501,910
Repayment	(933,076,786)	(27,109,406)	(101,833,405)	(1,062,019,597)
Transfer to Stage 1	—	—	—	—
Transfer to Stage 2	(21,552,961)	21,552,961	—	—
Transfer to Stage 3	—	—	—	—
Write-off	—	—	(29,998)	(29,998)
Recovery of loans and accounts receivables written off	—	—	7,523,691	7,523,691
At 31 December 2024 (Audited)	379,542,179	169,937,497	179,721,485	729,201,161
New	704,964,319	—	—	704,964,319
Repayment	(444,228,277)	(4,884,649)	(4,799,898)	(453,912,824)
Transfer to Stage 1	—	—	—	—
Transfer to Stage 2	(68,900,000)	68,900,000	—	—
Transfer to Stage 3	(2,700,000)	(6,545,000)	9,245,000	—
Write-off	—	—	(1,344,382)	(1,344,382)
Recovery of loans and accounts receivables written off	—	—	4,032,378	4,032,378
At 30 June 2025 (Unaudited)	568,678,221	227,407,848	186,854,583	982,940,652

The Group has conducted an assessment of ECLs according to forward-looking information and used appropriate models and assumptions in its expected measurement of credit losses. These models and assumptions relate to the future macroeconomic conditions and borrowers' creditworthiness (e.g., the likelihood of default by customers and the corresponding losses). The Group has adopted judgement, assumptions and estimation techniques in order to measure ECLs according to the requirements of accounting standards, such as criteria for judging significant increases in credit risk, definition of credit-impaired financial assets, parameters for measuring ECLs and forward-looking information.

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

15. Loans and Accounts Receivables (Continued)

	Stage 1 Collective	Stage 2 Collective	Stage 3	Total
ECL allowances as at 1 January 2024 (Audited)	5,507,485	5,147,489	57,021,438	67,676,412
Net charge/(reversal) of impairment	(2,284,672)	(3,347,020)	18,397,616	12,765,924
Transfer to Stage 1	—	—	—	—
Transfer to Stage 2	(251,050)	251,050	—	—
Transfer to Stage 3	—	—	—	—
Accreted interest on impaired loans	—	—	(29,300,030)	(29,300,030)
Impact on period end ECLs of exposures transferred between stages during the year	—	379,781	—	379,781
Write-off and transfer out	—	—	(29,998)	(29,998)
Recovery of loans and accounts receivables written off	—	—	7,523,691	7,523,691
At 31 December 2024 (Audited)	2,971,763	2,431,300	53,612,717	59,015,780
Net charge of impairment	2,545,925	888,511	3,949,890	7,384,326
Transfer to Stage 1	—	—	—	—
Transfer to Stage 2	(634,254)	634,254	—	—
Transfer to Stage 3	(16,222)	(79,415)	95,637	—
Accreted interest on impaired loans	—	—	(11,002,417)	(11,002,417)
Impact on period end ECLs of exposures transferred between stages during the period	—	697,226	1,641,746	2,338,972
Write-off and transfer out	—	—	(1,344,382)	(1,344,382)
Recovery of loans and accounts receivables written off	—	—	4,032,378	4,032,378
At 30 June 2025 (Unaudited)	4,867,212	4,571,876	50,985,569	60,424,657

Notes to the Interim Condensed Consolidated Financial Information

30 June 2025

(Amounts expressed in RMB unless otherwise stated)

16. Property, Plant and Equipment

	Buildings	Leasehold improvements	Plants and machineries	Furniture and others	Total
Cost:					
At 1 January 2024 (Audited)	7,128,280	5,330,631	—	5,498,887	17,957,798
Additions	—	—	—	2,077,247	2,077,247
Acquisition*	—	—	769,703	—	769,703
Disposals	—	—	(661,501)	(338,061)	(999,562)
At 31 December 2024 (Audited)	7,128,280	5,330,631	108,202	7,238,073	19,805,186
Additions	—	—	23,042	452,703	475,745
Disposals	—	—	—	(457,084)	(457,084)
At 30 June 2025 (Unaudited)	7,128,280	5,330,631	131,244	7,233,692	19,823,847
Accumulated depreciation:					
At 1 January 2024 (Audited)	1,040,615	4,734,538	—	4,127,998	9,903,151
Depreciation charge for the year	338,565	571,190	128,202	632,732	1,670,689
Disposals	—	—	(105,297)	(321,991)	(427,288)
At 31 December 2024 (Audited)	1,379,180	5,305,728	22,905	4,438,739	11,146,552
Depreciation charge for the period	169,282	8,301	17,132	427,786	622,501
Disposals	—	—	—	(434,230)	(434,230)
At 30 June 2025 (Unaudited)	1,548,462	5,314,029	40,037	4,432,295	11,334,823
Net carrying amount:					
At 30 June 2025 (Unaudited)	5,579,818	16,602	91,207	2,801,397	8,489,024
At 31 December 2024 (Audited)	5,749,100	24,903	85,297	2,799,334	8,658,634

* The Group has obtained the plants and machineries after obtaining the entire equity interests of Sichuan Xianpai in April 2024. The carrying values of the plants and machineries were allocated at their relative fair values at the acquisition date based on the acquisition consideration of Sichuan Xianpai.

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(Amounts expressed in RMB unless otherwise stated)

17. Investment Properties

	Land and buildings
Cost:	
At 1 January 2025 (Audited) and at 30 June 2025 (Unaudited)	64,230,297
Accumulated depreciation:	
At 1 January 2025 (Audited)	(1,486,925)
Depreciation charge for the period	(1,112,147)
At 30 June 2025 (Unaudited)	(2,599,072)
Net carrying amount:	
At 30 June 2025 (Unaudited)	61,631,225
At 31 December 2024 (Audited)	62,743,372
Fair value:	
At 30 June 2025 (Unaudited)	86,680,000
At 31 December 2024 (Audited)	92,580,000

Investment properties are located at Chengdu, Sichuan Province in the PRC. The Group obtained the properties after the acquisition of the entire equity interests of Sichuan Xianpai in April 2024.

The certificates of some properties have not been obtained. The Directors believe that this has had no significant impact on the Group's financial statements.

The fair values of the investment properties as at 30 June 2025 were estimated by the Group. They fall within Level 3 in the fair value hierarchy.

The fair value of investment properties is determined using discounted cash flow method with unobservable inputs including estimated rental value and discount rate, etc. This method involves the projection of a series of cash flows from valuation date to economic life maturity date. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the assets.

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18. Leases

The Group as a lessee

The Group has lease contracts for various items of property used in its operations. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group. There are several lease contracts that include extension and termination options, which are further discussed below.

(a) Right-of-use assets

The carrying amount of the Group's right-of-use assets and the movements during the period are as follows:

	Properties
At 1 January 2024 (Audited)	1,829,348
Additions	124,091
Depreciation charge	(1,061,402)
At 31 December 2024 (Audited)	892,037
Additions	50,409
Depreciation charge	(524,260)
At 30 June 2025 (Unaudited)	418,186

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the period are as follows:

	Lease liabilities
Carrying amount at 1 January 2024 (Audited)	1,742,671
New leases	124,091
Accretion of interest recognised during the year	53,811
Payments	(969,008)
Carrying amount at 31 December 2024 (Audited)	951,565
New leases	50,409
Accretion of interest recognised during the period	29,932
Payments	(417,788)
Carrying amount at 30 June 2025 (Unaudited)	614,118

The maturity analysis of lease liabilities is disclosed in note 29 to the interim condensed consolidated financial information.

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(Amounts expressed in RMB unless otherwise stated)

18. Leases (Continued)

The Group as a lessee (Continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Interest on lease liabilities	29,932	34,866
Depreciation charge for right-of-use assets	524,260	484,608
Expense relating to leases of low-value assets (included in operating and administrative expenses)	100,629	97,984
Total amount recognised in profit or loss	654,821	617,458

(d) The total cash outflow for leases is disclosed in note 26(b) to the interim condensed consolidated financial information. As at 30 June 2025, there were no future cash outflows relating to leases that have not yet commenced.

19. Goodwill

Cost at 1 January 2024, net of accumulated impairment (Audited)	14,729,281
Impairment during the year	(9,149,858)
At 31 December 2024 (Audited)	5,579,423
At 31 December 2024 (Audited)	
Cost	16,950,298
Accumulated impairment	(11,370,875)
Net carrying amount	5,579,423
Cost at 1 January 2025, net of accumulated impairment (Audited)	5,579,423
Impairment during the period	—
At 30 June 2025 (Unaudited)	5,579,423
At 30 June 2025 (Unaudited)	
Cost	16,950,298
Accumulated impairment	(11,370,875)
Net carrying amount	5,579,423

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(Amounts expressed in RMB unless otherwise stated)

20. Deferred Tax

The movements in the deferred tax assets and liabilities are as follows:

Gross deferred tax assets

	Impairment allowance for loans	Fair value adjustments of financial assets at fair value through profit or loss	Fair value adjustments of financial liabilities at fair value through profit or loss	Provision for a contingent liability	Deductible tax losses	Lease liabilities	Total
At 1 January 2024 (Audited)	18,229,090	10,690,003	210,532	3,307,697	153,203	457,337	33,047,862
Recognised in profit or loss	(56,765)	(7,508,178)	(210,532)	—	(47,281)	(234,328)	(8,057,084)
At 31 December 2024 (Audited)	18,172,325	3,181,825	—	3,307,697	105,922	223,009	24,990,778
Recognised in profit or loss	1,608,545	—	—	—	3,857	(118,463)	1,493,939
At 30 June 2025 (Unaudited)	19,780,870	3,181,825	—	3,307,697	109,779	104,546	26,484,717

Gross deferred tax liabilities

	Right-of-use assets	Fair value adjustments of financial assets at fair value through profit or loss	Total
At 1 January 2024 (Audited)	(457,337)	—	(457,337)
Recognised in profit or loss	234,328	(4,384,798)	(4,150,470)
At 31 December 2024 (Audited)	(223,009)	(4,384,798)	(4,607,807)
Recognised in profit or loss	118,463	(5,730,840)	(5,612,377)
At 30 June 2025 (Unaudited)	(104,546)	(10,115,638)	(10,220,184)

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(Amounts expressed in RMB unless otherwise stated)

20. Deferred Tax (Continued)

For presentation purposes, certain deferred tax assets and liabilities have been offset in the interim condensed consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Net deferred tax assets recognised in the interim condensed consolidated statement of financial position	25,783,253	24,272,833
Net deferred tax liabilities recognised in the interim condensed consolidated statement of financial position	(9,518,720)	(3,889,862)

As at 30 June 2025, the Group has tax losses arising in Mainland China of RMB3,467,553 (31 December 2024: RMB2,058,604) that will expire in one to five years for offsetting against future taxable profits. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time.

21. Other Assets

	Note	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Reposessed assets	(a)	8,060,000	8,060,000
Prepayment and deposit		—	11,940,000
Other receivables		1,717,670	1,329,086
Deferred and prepaid expenses		3,660,965	1,945,442
Total		13,438,635	23,274,528

- (a) Reposessed assets are properties located at Quanzhou, Fujian Province in the PRC. The contracts which effect the repossession of the properties have been signed and registered with the local authority. The certificates of some properties with a carrying amount of RMB8,060,000 (31 December 2024: RMB8,060,000) have not been obtained because these properties are still under development.

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22. Interest-Bearing Bank Borrowings

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Guaranteed bank borrowings repayable: Within one year	40,000,000	—
Total	40,000,000	—

As at 30 June 2025, the annual interest rate of the above borrowings is 3.80%.

23. Other Payables

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Dividends payable	34,000,000	—
Payrolls payable	1,363,266	2,618,167
Value-added tax, and surcharges payable	974,200	1,108,996
Deposits received	89,371	3,285,450
Securities settlement payable	—	1,070,000
Others	2,015,233	1,901,637
Total	38,442,070	9,984,250

24. Share Capital

	30 June 2025 (Unaudited)	31 December 2024 (Audited)
Issued and fully paid ordinary shares of RMB1 each	680,000,000	680,000,000

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25. Reserves

The amounts of the Group's reserves and the movements therein for the period are presented in the interim condensed consolidated statement of changes in equity.

Capital reserve

The capital reserve comprises share premium, which represents the difference between the par value of the shares of the Company and the proceeds received from the issuance of the shares of the Company.

Surplus reserve

The surplus reserve comprises the statutory surplus reserve and the discretionary surplus reserve.

The entities established in the PRC are required to appropriate 10% of their net profit, as determined under China Accounting Standards for Business Enterprises and other relevant regulations issued by the Ministry of Finance of the PRC, to the statutory surplus reserve until the balance reaches 50% of the registered capital.

Subject to the approval of equity holders of the entities established in the PRC, the statutory surplus reserve may be used to net off against accumulated losses, if any, and may be converted into capital, provided that the balance of the statutory surplus reserve after such capitalisation is not less than 25% of the registered capital.

After making the appropriation to the statutory surplus reserve, the Company and its subsidiaries may also appropriate its net profit to the discretionary surplus reserve upon approval by shareholders. Subject to the approval of shareholders, the discretionary surplus reserve may be used to make good previous years' losses, if any, and may be converted into capital.

General reserve

In accordance with the relevant regulations, the Company and one of its subsidiaries, JJHX, are required to set aside a general reserve through appropriations of profit after tax on an annual basis, and the balance of the general reserve should reach 1.5% of its risk assets. Such reserve is not available for profit distribution or transfer to capital. As at 30 June 2025, the balance of the general reserve of the Group was RMB21.0 million (31 December 2024: RMB19.1 million), which is not lower than 1.5% of its risk assets.

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26. Notes to the Interim Condensed Consolidated Statement of Cash Flows

(a) Changes in liabilities arising from financing activities

	Interest-bearing Bank borrowings and interest payable	Lease liabilities	Amounts due to shareholders
At 1 January 2025 (Audited)	—	951,565	—
Changes from financing cash flows	40,000,000	(417,788)	—
New leases	—	50,409	—
2024 final dividend payable	—	—	34,000,000
Interest expense	—	29,932	—
At 30 June 2025 (Unaudited)	40,000,000	614,118	34,000,000

	Interest-bearing borrowing and interest payable	Lease liabilities	Amounts due to shareholders	Amounts due to non-controlling shareholders
At 1 January 2024 (Audited)	9,894,844	1,742,671	—	—
Changes from financing cash flows	(1,277,138)	(484,504)	—	(26,724,826)
2023 final dividend payable	—	—	34,000,000	8,177,677
Acquisition of non-controlling interests	—	—	—	18,547,149
Interest expense	243,254	34,866	—	—
At 30 June 2024 (Unaudited)	8,860,960	1,293,033	34,000,000	—

(b) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Within operating activities	100,629	97,984
Within financing activities	417,788	484,504
Total	518,417	582,488

Notes to the Interim Condensed Consolidated Financial Information

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27. Related Party Disclosures

(a) Compensation of key management personnel of the Group

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Salaries and other short-term employee benefits	988,984	980,057

(b) Loan guarantee

The interest-bearing bank borrowings of RMB40 million as at 30 June 2025 (31 December 2024: Nil) were guaranteed by Fujian Septwolves Group Co., Ltd (福建七匹狼集團有限公司). There was no guarantee fee accrued during the Reporting Period.

(c) Entrusted loans

Xiamen Siming Baiying Micro-credit Co., Ltd. ("**Siming Baiying**") was contracted to manage the administration and collection of entrusted loans, on behalf of the Group. In this regard, Siming Baiying granted loans to borrowers, as an intermediary, at the direction of the Group. The Group determined both the underwriting criteria for and all terms of the entrusted loans, including their purposes, amounts, interest rates, and repayment schedules. As at 30 June 2025, there was no outstanding balance of the loans administered by Siming Baiying (31 December 2024: RMB5.2 million).

(d) Leases and property management fees

	Six months ended 30 June	
	2025 (Unaudited)	2024 (Unaudited)
Lease payments		
Xiamen Septwolves Asset Management Co., Ltd.	—	66,716
Quanzhou Henghe Investment Development Co., Ltd.	417,788	417,788
Lease income		
Fujian Septwolves Group Finance Co., Ltd.	27,222	27,222
Property management fees		
Xiamen Huakaijixiang Property Management Co., Ltd.	27,746	21,606
Quanzhou Jixiangfugui Property Management Co., Ltd.	77,751	77,751

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28. Contingent Liabilities

As at 30 June 2025, the Group did not have any material contingent liability, guarantees or any other material litigation or claims outstanding or threatened against the Group that could have a material adverse effect on its business, financial condition or results of operations.

29. Maturity Analysis of Assets and Liabilities

The table below shows an analysis of assets and liabilities classified into relevant maturity groupings based on the remaining period from the financial reporting date to the contractual maturity date. For purposes of the table set forth, "Loans and accounts receivables" are considered overdue only if principal payments are overdue. In addition, for loans and accounts receivables that are repayable by instalments, only the portion of the loan that is actually overdue is reported as overdue. Any part of the loan that is not due is reported according to residual maturity:

	30 June 2025 (Unaudited)					Total
	On demand	Overdue/ Undated	Less than 3 months	3 to less than 12 months	After 12 months	
Assets:						
Cash and cash equivalents	36,368,173	—	—	—	—	36,368,173
Financial assets at fair value through profit or loss	341,707	247,942,729	—	—	—	248,284,436
Loans and accounts receivables	—	142,174,013	94,270,889	620,803,411	65,267,682	922,515,995
Other	—	—	459,943	3,359,292	111,657,714	115,476,949
Subtotal	36,709,880	390,116,742	94,730,832	624,162,703	176,925,396	1,322,645,553
Liabilities:						
Interest-bearing borrowing	—	—	—	40,000,000	—	40,000,000
Lease liabilities	—	—	357,711	256,407	—	614,118
Other	—	—	41,570,608	612,699	9,553,501	51,736,808
Subtotal	—	—	41,928,319	40,869,106	9,553,501	92,350,926
Net	36,709,880	390,116,742	52,802,513	583,293,597	167,371,895	1,230,294,627

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29. Maturity Analysis of Assets and Liabilities (Continued)

	31 December 2024 (Audited)					
	On demand	Overdue/ Undated	Less than 3 months	3 to less than 12 months	After 12 months	Total
Assets:						
Cash and cash equivalents	103,000,233	—	—	—	—	103,000,233
Financial assets held under resale agreements	—	—	60,097,641	—	—	60,097,641
Financial assets at fair value through profit or loss	30,265,314	229,039,001	21,000,000	—	—	280,304,315
Loans and accounts receivables	—	136,191,865	38,151,157	455,366,642	40,475,717	670,185,381
Other	—	—	12,988,022	1,729,918	110,803,979	125,521,919
Subtotal	133,265,547	365,230,866	132,236,820	457,096,560	151,279,696	1,239,109,489
Liabilities:						
Lease liabilities	—	—	242,255	709,310	—	951,565
Other	—	—	12,779,028	274,471	3,924,642	16,978,141
Subtotal	—	—	13,021,283	983,781	3,924,642	17,929,706
Net	133,265,547	365,230,866	119,215,537	456,112,779	147,355,054	1,221,179,783

30. Fair Value and Fair Value Hierarchy of Financial Instruments

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group's financial assets mainly include cash at banks, financial assets at fair value through profit or loss, and loans and accounts receivables.

The Group's financial liabilities mainly include interest-bearing borrowing, lease liabilities, and other payables.

Due to the short remaining maturity or periodical repricing to reflect the market price, the carrying amounts of these financial assets and liabilities measured at amortised cost approximate to their fair values.

The Group's finance department headed by a Director is responsible for determining the policies and procedures for the fair value measurements of financial instruments. The Director reports directly to the Audit Committee. At each reporting date, the Group analyses the movements in the values of financial instruments. The valuation is reviewed and approved by the general manager.

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30. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

The fair values of unlisted equity investments and private equity funds were determined by using appropriate valuation techniques. Valuation techniques include: using recent arm's length market transactions; making reference to the current market value of another instrument that is substantially the same and net assets making as much use of available and supportable market data as possible. The Directors believe that the estimated fair values resulting from the valuation techniques, which are recorded in the consolidated statement of financial position, and the related changes in fair values, are reasonable, and that they were the most appropriate values at the end of the reporting period.

Fair value hierarchy

The following table illustrates the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 June 2025 (Unaudited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets at fair value through profit or loss	201,722,838	341,707	46,219,891	248,284,436

As at 31 December 2024 (Audited)

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
Financial assets at fair value through profit or loss	177,612,999	51,265,314	51,426,002	280,304,315

During the six months ended 30 June 2025, there were no significant transfers between Level 1 and Level 2 (six months ended 30 June 2024: Nil).

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30. Fair Value and Fair Value Hierarchy of Financial Instruments (Continued)

Fair value hierarchy (Continued)

Significant unobservable input value in Level 3 fair value measurement

As at 30 June 2025 (Unaudited)	Fair value	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Private equity funds	46,219,891	Adjusted net asset value	Discount for lack of liquidity	The lower the discount, the higher the fair value

As at 31 December 2024 (Audited)	Fair value	Valuation techniques and key inputs	Significant unobservable inputs	Relationship between unobservable inputs and fair value
Unlisted equity investments	3,828,935	Adjusted net asset value	Discount for lack of liquidity	The lower the discount, the higher the fair value
Private equity funds	47,597,067	Adjusted net asset value	Discount for lack of liquidity	The lower the discount, the higher the fair value

The movements in fair value measurements within Level 3 during the period are as follows:

Financial assets at fair value through profit or loss

	2025 (Unaudited)	2024 (Unaudited)
At 1 January	51,426,002	47,430,000
Total gains recognised in profit or loss	(1,377,176)	—
Disposal	(3,828,935)	—
At 30 June	46,219,891	47,430,000

31. Events After the Reporting Period

Other than as disclosed above, the Group had no significant events after the Reporting Period.

32. Approval of the Interim Condensed Consolidated Financial Information

The interim condensed consolidated financial information was approved and authorised for issue by the Board on 27 August 2025.