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VCREDIT Holdings Limited **維 信 金 科 控 股 有 限 公 司**

(registered by way of continuation in the Cayman Islands with limited liability)
(Stock Code: 2003)

ISSUE OF US\$100 MILLION 11.0% SENIOR NOTES DUE 2021

Reference is made to the announcement of the Company dated 12 June 2019 in relation to the proposed Notes Issue. On 13 June 2019, the Company, the Subsidiary Guarantors and the Initial Purchaser entered into the Purchase Agreement in relation to the issue of US\$100 million 11.0% senior notes due 2021.

The estimated net proceeds of the Notes Issue, after deducting underwriting discounts and other estimated expenses, will amount to approximately US\$96.5 million. The Company currently intends to use the net proceeds of the Notes Issue primarily for general working capital purposes. The Company may adjust the foregoing plans in response to changing market conditions, and thus, reallocate the use of proceeds in the future.

The Company will seek a listing of the Notes on the SEHK. A confirmation of the eligibility for the listing of the Notes has been received from the SEHK for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. The SEHK assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the SEHK and quotation of the Notes on the SEHK is not to be taken as an indication of the merits of the Company, its subsidiaries and associated companies or the Notes.

Closing of the Purchase Agreement and the Notes Issue is, subject to fulfilment of certain conditions, expected to take place on or about 20 June 2019.

As the conditions to completion of the Purchase Agreement may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

Reference is made to the announcement of the Company dated 12 June 2019 in relation to the proposed Notes Issue. The Board is pleased to announce that on 13 June 2019, the Company, the Subsidiary Guarantors and the Initial Purchaser entered into the Purchase Agreement in relation to the Notes Issue.

THE PURCHASE AGREEMENT

Date: 13 June 2019

Parties: (a) the Company;
(b) the Subsidiary Guarantors; and
(c) the Initial Purchaser.

Goldman Sachs is the sole global coordinator, sole lead manager and sole bookrunner in connection with the Notes Issue. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Goldman Sachs is an independent third party and not a Connected Person of the Company.

The Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) have not been, and will not be, registered under the Securities Act. The Notes will only be offered and sold by the Initial Purchaser outside the United States in compliance with Regulation S under the Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. None of the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) will be offered to the public in Hong Kong, the United States or any other jurisdiction.

Closing of the Purchase Agreement and the Notes Issue is, subject to fulfilment of certain conditions, expected to take place on or about 20 June 2019.

Principal terms of the Notes

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to provisions of the documents relating to the Notes.

Issuer:	the Company
Notes offered:	subject to the fulfillment of certain conditions set out in the Purchase Agreement, the Company will issue the Notes in the aggregate principal amount of US\$100 million, which will mature on 20 June 2021, unless earlier redeemed pursuant to the terms thereof
Offering price:	98.054% of the principal amount of the Notes
Settlement date:	20 June 2019
Interest rate:	11.0% per annum, payable semi-annually in arrears on 20 June and 20 December of each year, beginning on 20 December 2019
Subsidiary Guarantees:	guarantees will be provided by the Subsidiary Guarantors pursuant to the Indenture

Ranking of the Notes

The Notes are:

- general obligations of the Company;
- senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes;
- at least pari passu in right of payment with all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law);
- guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors (if any) on a senior basis, subject to certain limitations;

- effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes; and
- effectively subordinated to all existing and future secured obligations of the Company to the extent of the collateral securing such obligations.

Covenants

The Notes and the Indenture governing the Notes will limit the ability of the Company and the ability of its Restricted Subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness or issue disqualified or preferred stock;
- (b) make investments or other specified restricted payments;
- (c) issue or sell capital stock of Restricted Subsidiaries;
- (d) guarantee indebtedness of Restricted Subsidiaries;
- (e) sell assets;
- (f) create liens;
- (g) enter into sale and leaseback transactions;
- (h) enter into agreements that restrict the Restricted Subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (i) enter into transactions with shareholders or affiliates;
- (j) engage in any business other than permitted business; and
- (k) effect a consolidation or merger.

Events of Default

The events of default under the Notes include, among others:

- (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- (2) default in the payment of interest or additional amounts on any Note when the same becomes due and payable, and such default continues for a period of 30 days;
- (3) default in the performance or breach of the provisions of certain covenants under the Indenture relating to consolidation, merger and sale of assets, or the failure by the Company to make or consummate an offer to purchase in the manner described under the Indenture;
- (4) the Company or any Restricted Subsidiary defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or as directed by the holders of 25% or more in aggregate principal amount of the Notes outstanding, or written notice by such Holders themselves;
- (5) there occurs with respect to any indebtedness of the Company or any Restricted Subsidiary having an outstanding principal amount of US\$20 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness of all such persons, whether such indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its Stated Maturity and/or (b) default in payment of principal of, or interest or premium on, or any other amounts in respect of (in each case after the expiration of any applicable grace period), such Indebtedness when the same becomes due and payable;
- (6) one or more final judgments or orders for the payment of money are rendered against the Company or any Restricted Subsidiary and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$20 million (or the dollar equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;

- (7) an involuntary case or other proceeding is commenced against the Company or any Significant Restricted Subsidiary with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Restricted Subsidiary or for any substantial part of the property and assets of the Company or any Significant Restricted Subsidiary and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any Significant Restricted Subsidiary under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- (8) the Company or any Significant Restricted Subsidiary, (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any Significant Restricted Subsidiary or for all or substantially all of the property and assets of the Company or any Significant Restricted Subsidiary or (c) effects any general assignment for the benefit of creditors; or
- (9) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or will for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the holders), may, and the Trustee at the written direction of such holders shall, subject to being indemnified and/or secured and/or prefunded to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in clause (7) or (8) above occurs with respect to the Company or any Significant Restricted Subsidiary, the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

Optional Redemption

The Company may at its option redeem the Notes, in whole but not in part, at any time, at a redemption price equal to 100% of the principal amount of the Notes redeemed plus the applicable premium as of, and accrued and unpaid interest, if any, to the redemption date.

At any time and from time to time, the Company may at its option redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 106.062% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

Proposed use of proceeds

The estimated net proceeds of the Notes Issue, after deducting underwriting discounts and other estimated expenses, will amount to approximately US\$96.5 million. The Company currently intends to use the net proceeds of the Notes primarily for working capital purposes. The Company may adjust the foregoing plans in response to changing market conditions, and thus, reallocate the use of proceeds in the future.

Listing

The Company will seek a listing of the Notes on the SEHK. A confirmation of the eligibility for the listing of the Notes has been received from the SEHK for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. The SEHK assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Admission to the SEHK and quotation of the Notes on the SEHK is not to be taken as an indication of the merits of the Company, its subsidiaries and associated companies or the Notes.

As the conditions to completion of the Purchase Agreement may or may not be satisfied and the Purchase Agreement may be terminated upon the occurrence of certain events, shareholders of the Company and prospective investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set forth below unless the context requires otherwise:

“Board”	:	the board of Directors
“Company”	:	VCREDIT Holdings Limited (維信金科控股有限公司), a company registered by way of continuation in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the SEHK
“Connected Person(s)”	:	has the meaning ascribed to it under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Director(s)”	:	the director(s) of the Company
“Goldman Sachs”	:	Goldman Sachs (Asia) L.L.C., the sole global coordinator, sole lead manager and sole bookrunner in respect of the offer and sale of the Notes
“Hong Kong”	:	the Hong Kong Special Administrative Region of the PRC
“Indenture”	:	the indenture to be entered into by the Company, the Subsidiary Guarantors and the trustee of the Notes
“Initial Purchaser”	:	Goldman Sachs
“JV Subsidiary Guarantee”	:	a limited recourse guarantee given by a JV Subsidiary Guarantor
“JV Subsidiary Guarantor”	:	each subsidiary of the Company which in the future provides a JV Subsidiary Guarantee
“Notes”	:	the 11.0% senior notes due 2021 in the aggregate principal amount of US\$100 million to be issued by the Company subject to the terms and conditions of the Purchase Agreement
“Notes Issue”	:	the issue of the Notes by the Company

“PRC”	:	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan for the purposes of this announcement
“Purchase Agreement”	:	the agreement to be entered into among the Company, the Subsidiary Guarantors and the Initial Purchaser in relation to the Notes Issue
“Restricted Subsidiary”	:	any subsidiary of the Company other than an Unrestricted Subsidiary
“Securities Act”	:	the United States Securities Act of 1933, as amended
“SEHK”	:	The Stock Exchange of Hong Kong Limited
“Significant Restricted Subsidiary”	:	any Restricted Subsidiary, or any group of Restricted Subsidiaries that, taken together, would be a “significant subsidiary” using the conditions specified in the definition of significant subsidiary in Article 1, Rule 1-102(w) of Regulation S-X, promulgated pursuant to the Securities Act, as such Regulation is in effect on the date of the Indenture, if any of the conditions exceeds 5%
“Stated Maturity”	:	(1) with respect to any indebtedness, the date specified in such debt security as the fixed date on which the final installment of principal of such indebtedness is due and payable as set forth in the documentation governing such indebtedness and (2) with respect to any scheduled installment of principal of or interest on any indebtedness, the date specified as the fixed date on which such installment is due and payable as set forth in the documentation governing such indebtedness
“Subsidiary Guarantee”	:	a guarantee of the obligations of the Company under the Indenture and the Notes by a Subsidiary Guarantor

- “Subsidiary Guarantor” : each Restricted Subsidiary which is guaranteeing the Notes, provided that “Subsidiary Guarantors” will not include (i) any Restricted Subsidiary organized under the laws of the PRC, (ii) VCREDIT Ventures Limited, (iii) VCREDIT Investment Limited, (iv) Multi Fortune Asia Corporation, (v) Double Kingdom International Limited, and (vi) any Restricted Subsidiary organized outside the laws of the PRC and designated as a “Offshore Non-Guarantor Subsidiary” by the Company under the Indenture (as of the date of the Purchase Agreement, the Subsidiary Guarantors will consist of Vision Credit Limited and Asia Jumbo Group Limited)
- “Trustee” : Citicorp International Limited
- “Unrestricted Subsidiary” : (1) any subsidiary of the Company that at the time of determination shall be designated an Unrestricted Subsidiary by the Board in the manner provided in the Indenture and (2) any subsidiary of an Unrestricted Subsidiary
- “U.S.” or “United States” : the United States of America, its territories and possessions and all areas subject to its jurisdiction
- “US\$”, “USD” or “U.S. dollar” : United States dollar(s), the lawful currency of the United States

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

Hong Kong, 13 June 2019

As at the date of this announcement, the board of directors of the Company comprises Mr. Ma Ting Hung as the chairman and a non-executive director; Mr. Liu Sai Wang Stephen and Mr. Liu Sai Keung Thomas as executive directors; Mr. Chen Derek, Ms. Liu Yang and Mr. Yip Ka Kay as non-executive directors; and Mr. Chen Penghui, Dr. Seek Ngee Huat and Mr. Wu Chak Man as independent non-executive directors.