



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)

Executive Directors

Mr. Ma Ting Hung (*Chairman*)
Mr. Liu Sai Wang Stephen (*Chief Executive Officer*)
Mr. Liu Sai Keung Thomas (*Chief Operating Officer*)
Ms. Xue Lan

Non-executive Director

Mr. Yip Ka Kay

Independent Non-executive Directors

Mr. Chen Derek
Mr. Chen Penghui
Mr. Fang Yuan

Registered Office

Harneys Fiduciary (Cayman) Limited
4th Floor, Harbour Place
103 South Church Street
P.O. Box 10240
Grand Cayman KY1-1002
Cayman Islands

Head Office and

Principal Place of Business
Suite 1918, 19/F
Two Pacific Place
88 Queensway
Hong Kong

10 January 2025

To the Offer Shareholders

Dear Sir or Madam,

**MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY
GET NICE SECURITIES LIMITED
FOR AND ON BEHALF OF WEALTHY SURPLUS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES
OF VCREDIT HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED OR
AGREED TO BE ACQUIRED BY THE OFFEROR CONCERT GROUP
(EXCLUDING THE RELEVANT PRESUMED CONCERT PARTIES))**

1. INTRODUCTION

Reference is made to the Joint Announcement in relation to, among others, the Sale and Purchase Agreements and the Offer. Terms used in this letter shall have the same meanings as defined in the Composite Document unless the context otherwise requires.

As disclosed in the Joint Announcement, the Board was informed by the Offeror that the Offeror has acquired an aggregate of 20,500,000 Shares, representing approximately 4.19% of the total issued share capital of the Company in the following manner:

- (a) on 10 December 2024 (after trading hours of the Stock Exchange), the Offeror and Vendor A entered into Sale and Purchase Agreement A, pursuant to which Vendor A agreed to sell, and the Offeror agreed to purchase, 17,000,000 Shares at a consideration of HK\$30,600,000 (i.e. HK\$1.80 per Share), representing approximately 3.47% of the total issued share capital of the Company as at the Latest Practicable Date; and
- (b) on 10 December 2024 (after trading hours of the Stock Exchange), the Offeror and Vendor B entered into Sale and Purchase Agreement B, pursuant to which Vendor B agreed to sell, and the Offeror agreed to purchase, 3,500,000 Shares at a consideration of HK\$6,300,000 (i.e. HK\$1.80 per Share), representing approximately 0.72% of the total issued share capital of the Company as at the Latest Practicable Date.

Completion of Sale and Purchase Agreement A took place on 11 December 2024 and completion of Sale and Purchase Agreement B took place on 16 December 2024.

The Offeror is a company wholly-owned and controlled by Mr. Ma. Immediately before completion of Sale and Purchase Agreement A and Sale and Purchase Agreement B, the Offeror Concert Group (excluding the Relevant Presumed Concert Parties) beneficially owned an aggregate of 195,049,097 Shares, representing approximately 39.85% of the total issued share capital of the Company. Immediately following completion of Sale and Purchase Agreement A and Sale and Purchase Agreement B, the Offeror Concert Group (excluding the Relevant Presumed Concert Parties) owned an aggregate of 215,549,097 Shares, representing approximately 44.04% of the total issued share capital of the Company.

The Board was also informed by Mr. Stephen Liu that on 10 December 2024, Magic Mount, a company owned as to 50% by him and 50% by his mother, Madam Kwok Lim Ying, entered into Sale and Purchase Agreement C with Vendor A. Pursuant to Sale and Purchase Agreement C, Vendor A agreed to sell, and Magic Mount agreed to purchase, 7,000,000 Shares at a consideration of HK\$12,600,000 (i.e. HK\$1.80 per Share), representing approximately 1.43% of the total issued share capital of the Company.

Completion of Sale and Purchase Agreement C took place on 11 December 2024, whereupon Mr. Liu's Controlled Group (being Mr. Stephen Liu, Magic Mount and other entities controlled by Mr. Stephen Liu) owned an aggregate of 46,942,173 Shares, representing an increase from approximately 8.16% to approximately 9.59% of the total issued share capital of the Company as at the Latest Practicable Date.

As a result of completion of Sale and Purchase Agreement A and Sale and Purchase Agreement B, the Offeror Concert Group's (excluding the Relevant Presumed Concert Parties) aggregate shareholding in the Company increased from approximately 39.85% to 44.04%. Pursuant to Rule 26.1 of the Takeovers Code, the Offeror is obliged to make a mandatory general cash offer for all the issued Shares (other than those Shares already owned or agreed to be acquired by the Offeror Concert Group (excluding the Relevant Presumed Concert Parties)).

As the Relevant Presumed Concert Parties have become members of Offeror Concert Group upon completion of the Sale and Purchase Agreements and in respect of the Offer, and the Offeror Concert Group owns in aggregate approximately 60.63% of the total issued share capital of the Company, the Offer will be made on an unconditional basis.

2. THE OFFER

As disclosed in the "Letter from Get Nice Securities" in the Composite Document, Get Nice Securities, for and on behalf of the Offeror, hereby makes the Offer in compliance with the Takeovers Code on the following basis:

For each Offer Share HK\$1.80 in cash

The Offer Price of HK\$1.80 per Offer Share is the same as the purchase price per Sale Share A and Sale Share B under Sale and Purchase Agreement A and Sale and Purchase Agreement B, respectively. It is also the same purchase price per Sale Share C under Sale and Purchase Agreement C.

The Offer is unconditional in all respects. The Offer will be extended to all Shares in issue other than those Shares already owned or agreed to be acquired by the Offeror Concert Group (excluding the Relevant Presumed Concert Parties). The Offer Shares to be acquired under the Offer shall be fully paid and free from all liens, charges, encumbrances, rights of pre-emption and any other third party rights and interests of any nature and together with all rights attaching thereto, including but not limited to all rights to any dividend and other distributions, if any, recommended, declared, made or paid by reference to a record date on or after the date on which the Offer is made, that is, the date of despatch of the Composite Document.

The Offeror intends to fund the consideration payable under the Offer in full by the Facility.

The Company confirms that as at the Latest Practicable Date, it does not have any dividend or distribution recommended, declared or made but unpaid and it does not intend to declare any dividend or make other distribution during the Offer Period.

Further details of the terms of the Offer and the procedures for acceptance and settlement are set out in the "Letter from Get Nice Securities" in the Composite Document, Appendix I "Further Terms of the Offer" to the Composite Document and the accompanying Form of Acceptance.

Offer Shareholders are reminded to read the recommendations of the Independent Board Committee and the advice of the Independent Financial Adviser in respect of the Offer which are included in the "Letter from the Independent Board Committee" and the "Letter from the Independent Financial Adviser" as contained in the Composite Document.

3. INFORMATION ON THE GROUP

The Company is registered by way of continuation in the Cayman Islands with limited liability and the Shares are listed on the Main Board of the Stock Exchange. The principal activity of the Company is investment holding. The principal activities of the Group are the provision of consumer finance services in the PRC and Hong Kong.

Set out below is a summary of the unaudited consolidated financial information of the Group for the six months ended 30 June 2024, as extracted from the Company's interim report for the six months ended 30 June 2024 and the audited consolidated financial information of the Group for each of the two financial years ended 31 December 2023 and 2022, as extracted from the Company's annual report for the year ended 31 December 2023:

	For the six months ended 30 June 2024	For the year ended 31 December	
	<i>RMB'000 (unaudited)</i>	2023 <i>RMB'000 (audited)</i>	2022 <i>RMB'000 (audited)</i>
Total income	1,738,357	3,569,488	3,119,281
Profit for the period/year	120,343	453,911	532,471

	As at 30 June 2024	As at 31 December	
	<i>RMB'000 (unaudited)</i>	2023 <i>RMB'000 (audited)</i>	2022 <i>RMB'000 (audited)</i>
Total assets	11,741,462	11,934,463	10,103,436
Total liabilities	7,498,234	7,765,873	6,277,695
Net asset	4,243,228	4,168,590	3,825,741

Further details of the Group are set out in Appendix II "Financial Information of the Group" and Appendix III "General Information of the Group" to the Composite Document.

4. SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets out the shareholding structure of the Company (i) immediately before completion of the Sale and Purchase Agreements; and (ii) immediately after completion of the Sale and Purchase Agreements and as at the Latest Practicable Date:

	Immediately before completion of the Sale and Purchase Agreements		Immediately after completion of the Sale and Purchase Agreements and as at the Latest Practicable Date	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Mr. Ma	18,127,000	3.70	18,127,000	3.70
Offeror ^(Note 1)	46,607,010	9.52	67,107,010	13.71
Skyworld-Best ^(Note 1)	84,719,154	17.31	84,719,154	17.31
Glory Global ^(Note 1)	45,595,933	9.32	45,595,933	9.32
Sub-total for Offeror Concert Group (excluding the Relevant Presumed Concert Parties)	195,049,097	39.85	215,549,097	44.04
Mr. Stephen Liu ^(Note 2)	1,200,000	0.24	1,200,000	0.24
Perfect Castle ^(Note 2)	7,523,810	1.54	7,523,810	1.54
Union Fair ^(Note 2)	4,124,505	0.84	4,124,505	0.84
Magic Mount ^(Note 2)	27,093,858	5.54	34,093,858	6.97
Sub-total for Mr. Liu's Controlled Group	39,942,173	8.16	46,942,173	9.59
Mr. Thomas Liu ^(Note 3)	600,000	0.12	600,000	0.12
International Treasure Limited ^(Note 3)	6,828,585	1.40	6,828,585	1.40
Mr. Hung ^(Note 4)	22,768,173	4.65	22,768,173	4.65
Vendor B ^(Note 5)	7,574,714	1.55	4,074,714	0.83
Total for Offeror Concert Group	272,762,742	55.73	296,762,742	60.63
Mr. Fang Yuan ^(Note 6)	103,200	0.02	103,200	0.02

	Immediately before completion of the Sale and Purchase Agreements		Immediately after completion of the Sale and Purchase Agreements and as at the Latest Practicable Date	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Substantial Shareholder				
High Loyal Management Limited ^(Note 7)	70,740,770	14.45	70,740,770	14.45
Public Shareholders				
Trustees ^(Note 8)	680,300	0.14	680,300	0.14
Vendor A ^(Note 9)	26,141,398	5.34	2,141,398	0.44
other public Shareholders	<u>119,031,379</u>	<u>24.32</u>	<u>119,031,379</u>	<u>24.32</u>
Total for Public Shareholders	<u>145,853,077</u>	<u>29.80</u>	<u>121,853,077</u>	<u>24.90</u>
Grand Total	<u>489,459,789</u>	<u>100.00</u>	<u>489,459,789</u>	<u>100.00</u>

Notes:

1. Mr. Ma controls 100% of each of the Offeror, Skyworld-Best and Glory Global.
2. Mr. Stephen Liu is an executive Director and therefore presumed to be acting in concert with the Offeror pursuant to class (6) of the definition of "acting in concert" in the Takeovers Code. Mr. Stephen Liu controls 100% of each of Perfect Castle and Union Fair, and Mr. Stephen Liu and his mother, Madam Kwok Lim Ying, each control 50% of Magic Mount. Perfect Castle has an interest in 27,523,810 Shares, of which, 20,000,000 Shares have been lent under securities lending agreements to High Loyal Management Limited.
3. Mr. Thomas Liu is an executive Director and the brother of Mr. Stephen Liu and therefore presumed to be acting in concert with the Offeror pursuant to class (6) of the definition of "acting in concert" in the Takeovers Code. Mr. Thomas Liu controls 100% of, and is the sole director of, International Treasure Limited which has an interest in 6,828,585 Shares.
4. Mr. Hung is presumed to be acting in concert with the Offeror pursuant to classes (5) and (9) of the definition of "acting in concert" in the Takeovers Code. Mr. Hung, who is the ultimate controlling shareholder of Get Nice Securities, being the financial adviser and Facility provider to the Offeror in respect of the Offer and the agent making the Offer on behalf of the Offeror, is presumed to be acting in concert with the Offeror until the close of the Offer. As at the Latest Practicable Date, Mr. Hung has an interest in 22,768,173 Shares.
5. Vendor B is managed by NM Strategic Partners, LLC, in which Mr. Yip Ka Kay (a non-executive Director) is the sole director and sole shareholder, and therefore presumed to be acting in concert with the Offeror pursuant to class (6) of the definition of "acting in concert" in the Takeovers Code. Vendor B has irrevocably undertaken to the Offeror not to accept the Offer in respect of its Non-Accepting Shares. For details, please refer to the section headed "Irrevocable Undertakings not to accept the Offer" in the "Letter from Get Nice Securities" of the Composite Document.
6. Mr. Fang Yuan is an independent non-executive Director. Mr. Fang Yuan is independent of and not a party acting in concert with the Offeror.

7. Mr. Kwok Peter Viem and Mrs. Kwok Chang Shiu Feng each control 50% of High Loyal Management Limited. High Loyal Management Limited has borrowed 20,000,000 Shares (with an obligation to return the Shares on 1 December 2025) under securities lending agreements from Perfect Castle, during which High Loyal Management Limited is the legal and beneficial owner of the said Shares. The 20,000,000 borrowed Shares are subject to the Offer and High Loyal Management Limited has irrevocably undertaken to the Offeror not to accept the Offer in respect of its Non-Accepting Shares. Each of Mr. Kwok Peter Viem and Mrs. Kwok Chang Shiu Feng does not have any role in the Company and does not have any relationship with the Offeror and the Company other than as a shareholder of the Company. Accordingly, each of Mr. Kwok Peter Viem and Mrs. Kwok Chang Shiu Feng is not a party acting in concert with the Offeror.
8. As at the Latest Practicable Date, a Trustee of the Share Award Scheme No. 1 held 680,300 Shares for Share Award Scheme No. 1. of which (a) awards have been granted in respect of 400,000 Shares (none of which are granted to the Offeror Concert Group) but which have not yet vested under the relevant terms of grant; and (b) 280,300 Shares have not been granted.
9. As at the Latest Practicable Date, Vendor A has not indicated whether it will accept the Offer.

As at the Latest Practicable Date, the Company has in aggregate 489,459,789 Shares in issue. The Company does not have any outstanding options, derivatives, warrants or securities which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares, as at the Latest Practicable Date.

Share Award Schemes

The Company has adopted two share award schemes. Under the terms of Share Award Scheme No. 1, the Trustees of such scheme may acquire Shares and hold the same pending the grant of awards in respect of such Shares to eligible participants and the vesting of such awards. As at the Latest Practicable Date, the relevant Trustee holds 680,300 Shares under Share Award Scheme No. 1, of which (a) awards have been granted in respect of 400,000 Shares (none of which are granted to the Offeror Concert Group) but which have not yet vested under the relevant terms of grant; and (b) 280,300 Shares have not been granted.

Under the rules of Share Award Scheme No. 1:

- (i) the vesting of the 400,000 outstanding but unvested Award Shares will not be accelerated by the Offer and will continue to vest in accordance with the original vesting schedules as determined in accordance with the rules of Share Award Scheme No. 1. The Offeror will extend the Offer to these 400,000 outstanding but unvested Award Shares at the terms as set out in the Composite Document. Settlement of the consideration in respect of acceptances of the Offer for these outstanding but unvested Award Shares will be made to the Trustee (on behalf of the relevant grantee(s) who accept the Offer) in the same manner as to Offer Shareholders as set out under the sections headed "Payment" and "Hong Kong stamp duty" in the "Letter from Get Nice Securities" in the Composite Document. The Trustee shall arrange payment of the relevant consideration to the relevant grantee(s) who accept the Offer in respect of their outstanding but unvested Award Shares when the said Award Shares vest in accordance with the original vesting schedules and the terms of grant under the Share Award Scheme No. 1; and

- (ii) as for the 280,300 Shares held by the relevant Trustee that have not been granted, given the relevant Trustee holds the relevant Shares for the purposes of the Share Award Scheme No. 1, the Company does not intend to give any instruction to the relevant Trustee to accept the Offer.

As at the Latest Practicable Date, the Trustees in respect of Share Award Scheme No. 1 are (1) Tricor Trust (Hong Kong) Limited; and (2) Teeroy Limited, both third parties independent of the Company.

Under the terms of Share Award Scheme No. 2, the trustee of the scheme may acquire Shares and hold the same pending the grant of awards in respect of such Shares to eligible participants and the vesting of such awards. As at the Latest Practicable Date, no trustee has been appointed and no award shares have been granted under Share Award Scheme No. 2. The Company has no intention to grant any new Award Shares or any award shares under Share Award Scheme No. 2 during the Offer Period.

5. INFORMATION OF THE OFFEROR

Your attention is drawn to the “Letter from Get Nice Securities” in the Composite Document for the information on the Offeror and its intention in relation to the Group.

6. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP AND NO CHANGE OF BOARD COMPOSITION

As set out in the section headed “Letter from Get Nice Securities – 5. INTENTION OF THE OFFEROR IN RELATION TO THE GROUP and 6. NO CHANGE OF BOARD COMPOSITION”, it is the intention of the Offeror to continue with the Group’s existing principal business following the close of the Offer. The Offeror does not intend to introduce any major changes to, or cease or dispose of, the existing business and operation of the Group following the close of the Offer. Furthermore, the Offeror has no intention to (i) discontinue the employment of any employees of the Group; or (ii) dispose of or re-deploy the fixed assets of the Company other than those in its ordinary and usual course of business. The Offeror will continue to ensure good corporate governance, monitor and review the Group’s business and operations from time to time, and may take steps that it deems necessary or appropriate to optimise the value of the Group.

It is intended that there will be no change to the Board composition following the close of the Offer.

The Board is aware of the intention of the Offeror in respect of the Group and is willing to render reasonable cooperation to the Offeror which is in the best interests of the Company and the Shareholders as a whole.

7. PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY

As set out in the section headed “Letter from Get Nice Securities – 7. PUBLIC FLOAT AND MAINTAINING THE LISTING STATUS OF THE COMPANY”, the Offeror intends the Company to remain listed on the Stock Exchange and does not intend to avail itself of any power of compulsory acquisition of any Shares.

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares (excluding treasury shares), are held by the public, or if the Stock Exchange believes that:

- (a) a false market exists or may exist in the trading of the Shares; or**
- (b) there are insufficient Shares in public hands to maintain an orderly market,**

it will consider exercising its discretion to suspend dealings in the Shares. Therefore, it should be noted that upon close of the Offer, there may be insufficient public float of the Shares and the trading in the Shares may be suspended until sufficient public float exists for the Shares.

The sole director of the Offeror has undertaken to the Stock Exchange to take appropriate steps following the close of the Offer to ensure that sufficient public float exists in the issued Shares.

8. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises all the independent non-executive Directors, namely Mr. Chen Derek, Mr. Chen Penghui and Mr. Fang Yuan, has been established to make a recommendation to the Independent Shareholders in relation to the Offer as to whether the Offer is fair and reasonable and as to the acceptance of the Offer pursuant to Rule 2.1 of the Takeovers Code.

Mr. Yip Ka Kay, a non-executive Director, is deemed to have an interest in Sale and Purchase Agreement B and Sale Shares B as he is the sole director and the sole shareholder of NM Strategic Partners, LLC which manages Vendor B, which has an interest in Sale Shares B and is a member of the Offeror Concert Group. He is therefore not considered independent to be a member of the Independent Board Committee and has declared his interest to the Board accordingly.

Altus Capital has been appointed as the Independent Financial Adviser pursuant to Rule 2.1 of the Takeovers Code to advise the Independent Board Committee in connection with the Offer and, in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer. The appointment of the Independent Financial Adviser has been approved by the Independent Board Committee.

For the opinions and advice of the Independent Financial Adviser, please refer to the “Letter from the Independent Financial Adviser” as contained in the Composite Document.

9. RECOMMENDATION

Your attention is drawn to (i) the “Letter from the Independent Board Committee” as set out on pages 30 to 31 of the Composite Document which contains the recommendation of the Independent Board Committee to the Offer Shareholders as to whether the Offer is, or is not, fair and reasonable and as to their acceptance of the Offer; and (ii) the “Letter from the Independent Financial Adviser” as set out on pages 32 to 52 of the Composite Document which contains the advice of the Independent Financial Adviser to the Independent Board Committee in connection with the Offer and the principal factors considered by it in arriving at its advice. The Offer Shareholders are encouraged to read these letters carefully before taking any action in respect of the Offer.

10. ADDITIONAL INFORMATION

Your attention is drawn to the additional information contained in the appendices to the Composite Document. Further details on the terms and the procedures for acceptance and settlement of the Offer are set out in Appendix I “Further Terms of the Offer” to the Composite Document and the accompanying Form of Acceptance. You are also recommended to read carefully the Form of Acceptance for further details in respect of the procedures for acceptance and settlement of the Offer.

In considering what action to take in connection with the Offer, you should also consider your own tax positions, if any, and in case of any doubt, consult your professional advisers.

By order of the Board of
VCREDIT Holdings Limited



Chan Wing Man
Company Secretary