
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading independent online consumer finance service provider in China. Our consumer finance business commenced in March 2006, targeting prime and near-prime borrowers under-served by traditional financial institutions. Since our establishment, we have formed long-standing relationships with licensed financial institutions as funding partners and we have collaborated with a wide variety of business partners, including a number of leading Chinese Internet technology conglomerates.

Mr. Ma and Mr. Liu are the co-founders of our Company. Both have extensive experience in the financial services industry. Mr. Ma, our non-executive Director and Chairman, has over 26 years of experience in banking and finance, and natural resources industry. He has held senior management positions in prestigious international institutions such as Bankers Trust Company. He holds or has held positions in publicly listed companies, including CITIC Resources Holdings Limited (Hong Kong Stock Exchange Stock Code: 1205) and Universe International Holdings Limited (Hong Kong Stock Exchange Stock Code: 1046). Mr. Liu, our executive Director and Chief Executive Officer, had been involved in Hong Kong's financial industry with more than ten years at a major banking institution, The Sanwa Bank Ltd. The establishment of our Group and initial business operations were funded from our co-founder's personal finances.

BUSINESS MILESTONES

The following is a summary of our key business development milestones:

| <u>Date</u> | <u>Event</u> |
|----------------|--|
| March 2006 | Our business was established as one of China's first consumer finance service providers |
| November 2007 | Our in-house developed operation system, Vision Business Systems, commenced operation |
| September 2012 | Started implementing our first scorecard in our credit assessment process |
| May 2015 | We released our first technology-enabled credit product <i>KK Credit</i> |
| August 2015 | We started our business collaboration with China Telecom Bestpay Co., Ltd. |
| October 2015 | Our product <i>Dou Dou</i> was released |
| January 2016 | We started our business collaboration with JD.com group |
| June 2016 | We started our business collaboration with China Unionpay Merchant Service |
| June 2016 | We started our business collaboration with China Mobile Group Electronic Commerce Co., Ltd. |
| April 2017 | We started our business collaboration with Qunar.com group |
| August 2017 | We started to commercialize <i>Hummingbird</i> through SaaS platform to enhance credit assessment capabilities of our funding partners |
| October 2017 | We completed our third substantial round of financing of approximately US\$50 million from TPG Growth III SF Pte. Ltd. |

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The principal business activities, date of establishment and date of commencement of business of each member of our Group that made a material contribution to our track record results are shown below:

| <u>Name of company</u> | <u>Principal business activities</u> | <u>Date of establishment and commencement of business</u> |
|----------------------------|---|---|
| VC Financial Technology | Financial technology development and service provider | April 14, 2008 |
| VC Guarantee | Financing guarantee provider | December 24, 2009 |
| Vision Small Loan Chengdu | Lending business | December 8, 2011 |
| Vision Small Loan Shanghai | Lending business | September 16, 2014 |

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Our Company was incorporated in the BVI as a limited liability company on July 24, 2007 as the holding Company of our Group. On February 26, 2018, we re-domiciled our Company to the Cayman Islands by way of continuation as an exempted limited liability company. The major shareholding changes of our Company during the Track Record Period were related to two rounds of Pre-IPO Investments that we had undertaken:

- On March 8, 2016, our Company issued a total of 62,965,092 Series B (Plus) Shares of no par value, at the issue price of US\$0.8735 each, to Glory Global International Limited, Magic Mount Limited, High Loyal Management Limited, Xue Lan, Fei Tai Hung, Dong Ludwig, CPED Asia (No.1) Limited, CPED (KY) Limited, NM Strategic Focus Fund L.P., International Treasure Ltd., DJM Holding Limited, Wu Chak Man and Atlantis China Star Fund Limited.
- On October 31, 2017, our Company issued 31,011,598 Series C Shares of no par value, at the issue price of US\$1.6123 each, to TPG Growth III SF Pte. Ltd.

On March 7, 2018, our Company issued a total of 27,523,810 ordinary shares of par value HK\$0.10 each to Perfect Castle Development Limited for a total consideration of US\$12,988,533.50, 5,000,000 ordinary shares of par value HK\$0.10 each to Skyworld-Best Limited for a total consideration of US\$2,682,000 and 5,324,505 ordinary shares of par value HK\$0.10 each to Union Fair International Limited for a total consideration of US\$2,856,064.48.

For further details of the Pre-IPO Investments as set out above, please see “—Pre-IPO Investments.”

MAJOR SHAREHOLDING CHANGES OF OUR SUBSIDIARIES

Our business operations are conducted through subsidiaries owned by us. During the Track Record Period, we have undergone the corporate restructuring steps set out below.

Save as disclosed below, we did not conduct any major acquisitions, disposals or mergers during the Track Record Period.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

1. Vision Financial Servicing

On November 12, 2015, Vision Credit HK and VC Financial Technology entered into a share transfer agreement, pursuant to which Vision Credit HK agreed to transfer its interest in the entire share capital of VC Financial Servicing to VC Financial Technology. As a result, VC Financial Servicing ceased to be a wholly foreign-owned enterprise and became a domestic company under the laws of PRC. VC Financial Technology paid a total consideration of RMB13,284,045.25, being the fair value of the equity interest subject to the transfer. The settlement date of the consideration was March 20, 2017.

2. Vision Small Loan Shanghai

In order to streamline our corporate structure in preparation for the Listing and to consolidate control over the entities within our Group, VC Financial Technology and China Everbright Capital Investment Co., Ltd. (光大資本投資有限公司) entered into a share transfer agreement on December 20, 2017. Pursuant to the transfer agreement, China Everbright Capital Investment Co., Ltd. (光大資本投資有限公司) agreed to transfer its 30% equity interest in Vision Small Loan Shanghai to VC Financial Technology (the “**Everbright Transfer**”). Upon completion of the Everbright Transfer, VC Financial Technology will hold 30% equity interest in Vision Small Loan Shanghai and Vision Credit HK will hold 70% equity interest in Vision Small Loan Shanghai. The total consideration paid by VC Financial Technology for the Everbright Transfer is RMB72,000,000. The consideration was determined after arm’s length negotiations between the parties.

As of the Latest Practicable Date, the Everbright Transfer is under review by the relevant regulatory authorities in the PRC, in accordance with applicable PRC laws and regulations and in accordance with applicable share transfers and registration procedures. We do not expect any material impediment to completing these procedures.

Our PRC Legal Advisor has confirmed that, save for the Everbright Transfer disclosed above, which is undergoing the share transfer and registration process in accordance with PRC laws and regulations, all relevant approvals and permits in relation to the on-shore share transfers described above have been obtained. Our PRC Legal Advisor has confirmed that all on-shore share transfers have been carried out in accordance with applicable PRC laws and regulations.

RE-DOMICILIATION OF OUR COMPANY FROM THE BVI TO THE CAYMAN ISLANDS

In preparation for the Listing, we re-domiciled our Company from the BVI to the Cayman Islands pursuant to a shareholders’ resolution dated February 6, 2018. The re-domiciliation was completed on February 26, 2018. The shareholding structure of our Company remained unchanged after the transfer of our Company’s registration from the BVI to the Cayman Islands. In connection with the re-domiciliation, the Company adopted a par value of HK\$0.10 per Share. The purpose of the re-domiciliation was to benefit from greater flexibility in relation to corporate structures under Cayman Islands law.

On February 28, 2018, our Company changed its name from Vision Capital Group Limited to VCREDIT Holdings Limited 維信金科控股有限公司.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRE-IPO INVESTMENTS

1. Overview

The Company underwent four rounds of Pre-IPO Investments:

- On March 22, 2012, the Company, Mr. Ma, Mr. Liu, Wealthy Surplus Limited, CPED Asia (No.1) Limited, CPED (KY) Limited and EFG Atlantis China Pre-IPO Master Fund L.P. entered into the Series A Subscription Agreement, pursuant to which the Company issued 110,000,000 Series A Shares at a price of US\$0.50 per Series A Share for a total consideration of US\$55,000,000. The issue of Series A Shares was completed on March 30, 2012.
- On July 9, 2014, the Company, Skyworld-Best Limited, Glory Global International Limited, Mr. Liu, Magic Mount Limited, High Loyal Management Limited, Xue Lan, Fei Tai Hung, Dong Ludwig, Wu Chak Man, CPED Asia (No.1) Limited, CPED (KY) Limited, NM Strategic Focus Fund L.P., International Treasure Ltd., DJM Holding Limited and EFG Atlantis China Pre-IPO Master Fund L.P., entered into the Series B Subscription Agreement, pursuant to which the Company issued 51,514,499 Series B Shares at a price of US\$0.8735 per Series B Share for a total consideration of US\$45,000,000. The issue of Series B Shares was completed on August 15, 2014.
- On January 27, 2016, the Company, Skyworld-Best Limited, Glory Global International Limited, Mr. Liu, Magic Mount Limited, High Loyal Management Limited, Xue Lan, Fei Tai Hung, Dong Ludwig, Wu Chak Man, CPED Asia (No.1) Limited, CPED (KY) Limited, NM Strategic Focus Fund L.P., International Treasure Ltd., DJM Holding Limited and Atlantis China Star Fund Limited entered into the Series B (Plus) Subscription Agreement, pursuant to which the Company issued 62,965,092 Series B (Plus) Shares at a price of US\$0.8735 per Series B (Plus) Share for a total consideration of US\$55,000,000. The issue of Series B (Plus) Shares was completed on March 8, 2016.
- On September 30, 2017, the Company, Mr. Liu, Skyworld-Best Limited, Magic Mount Limited and TPG Growth III SF Pte. Ltd. entered into the Series C Subscription Agreement, pursuant to which the Company issued 31,011,598 Series C Shares at a price of US\$1.6123 per Series C Share for a total consideration of US\$50,000,000. The issue of Series C Shares was completed on October 31, 2017.

The consideration for each of the Pre-IPO Investments was determined after arm's length negotiations between our Company, the Pre-IPO Investors and the Founding Shareholders, after taking into consideration the timing of the subscription and the illiquidity of the Series A Shares, the Series B Shares, the Series B (Plus) Shares and the Series C Shares when the Pre-IPO Investments were entered into.

In connection with the Pre-IPO Investments, the Company, the Founding Shareholders and the Pre-IPO Investors, amongst others, entered into the Pre-IPO Shareholders' Agreement at the time of their relevant investment. The Pre-IPO Shareholders' Agreement was entered into on March 30, 2012, and was amended and restated on August 15, 2014, March 8, 2016, October 31, 2017 and March 1, 2018. All the Pre-IPO Investors are parties to the Pre-IPO Shareholders' Agreement.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The below table is a summary of the capitalization of the Company as of the date of this prospectus.

| Shareholders | Shares | Series A Shares ⁽¹⁾ | Series B Shares ⁽²⁾ | Series B (Plus) Shares ⁽³⁾ | Series C Shares ⁽⁴⁾ | Subtotal ⁽⁵⁾ | Ownership percentage as of the date of this prospectus ⁽⁵⁾ | Ownership percentage as of the Listing Date ⁽⁶⁾ |
|---|--------------------|-----------------------------------|-----------------------------------|--|-----------------------------------|-------------------------|--|---|
| Skyworld-Best Limited ⁽⁷⁾ | 84,719,154 | — | — | — | — | 84,719,154 | 19.76% | 17.04% |
| Wealthy Surplus Limited ⁽⁷⁾ | — | 46,607,010 | — | — | — | 46,607,010 | 10.87% | 9.37% |
| Glory Global International Limited ⁽⁷⁾ | — | — | 16,849,510 | 28,746,423 | — | 45,595,933 | 10.64% | 9.17% |
| Magic Mount Limited ⁽⁸⁾ | 16,902,750 | — | 1,971,301 | 8,219,807 | — | 27,093,858 | 6.32% | 5.45% |
| Perfect Castle Development Limited ⁽⁹⁾ | 27,523,810 | — | — | — | — | 27,523,810 | 6.42% | 5.53% |
| Union Fair International Limited ⁽¹⁰⁾ | 5,324,505 | — | — | — | — | 5,324,505 | 1.24% | 1.07% |
| High Loyal Management Limited | 38,095,239 | — | 4,442,897 | 8,202,634 | — | 50,740,770 | 11.84% | 10.20% |
| Fei Tai Hung | 5,698,000 | — | 664,535 | 1,224,958 | — | 7,587,493 | 1.77% | 1.53% |
| Dong Ludwig | 2,442,000 | — | 284,801 | 526,618 | — | 3,253,419 | 0.76% | 0.65% |
| CPED Asia (No.1) Limited | — | 25,167,785 | 6,123,272 | 6,033,200 | — | 37,324,257 | 8.71% | 7.51% |
| CPED (KY) Limited | — | 2,796,421 | 572,383 | 646,824 | — | 4,015,628 | 0.94% | 0.81% |
| Atlantis China Star Fund II Limited ⁽¹¹⁾ | — | 27,964,206 | 1,144,767 | — | — | 29,108,973 | 6.79% | 5.85% |
| Atlantis China Star Fund Limited | — | — | — | 5,609,617 | — | 5,609,617 | 1.31% | 1.13% |
| NM Strategic Focus Fund L.P. | — | — | 8,013,367 | 1,545,507 | — | 9,558,874 | 2.23% | 1.92% |
| International Treasure Ltd. ⁽¹²⁾ | — | — | 5,723,833 | 1,104,752 | — | 6,828,585 | 1.59% | 1.37% |
| DJM Holding Limited | — | — | 3,434,300 | 663,996 | — | 4,098,296 | 0.96% | 0.82% |
| Wu Chak Man | — | — | 2,289,533 | 440,756 | — | 2,730,289 | 0.64% | 0.55% |
| TPG Growth III SF Pte. Ltd. | — | — | — | — | 31,011,598 | 31,011,598 | 7.23% | 6.24% |
| Public Shareholders | — | — | — | — | — | — | — | 13.79% |
| Total | 180,705,458 | 102,535,422 | 51,514,499 | 62,965,092 | 31,011,598 | 428,732,069 | 100% | 100% |

Notes:

- (1) Based on the assumption that one Series A Share is converted into 0.9321402 Share with effect from the Listing Date.
- (2) Based on the assumption that one Series B Share is converted into one Share with effect from the Listing Date.
- (3) Based on the assumption that one Series B (Plus) Share is converted into one Share with effect from the Listing Date.
- (4) Based on the assumption that one Series C Share is converted into one Share with effect from the Listing Date.
- (5) Under the terms of the Preferred Shares, all the Preferred Shares will be automatically converted into Shares with effect from the Listing Date on the basis set out in notes (1), (2), (3) and (4) above.
- (6) Assuming the Over-allotment Option and share options granted under the Pre-IPO Share Option Schemes are not exercised.
- (7) Skyworld-Best Limited, Wealthy Surplus Limited, Glory Global International Limited are directly wholly-owned by Mr. Ma.
- (8) Magic Mount Limited is owned by Mr. Liu as to 50% and Kwok Lim Ying as to 50%.
- (9) Perfect Castle Development Limited is wholly-owned by Mr. Liu.
- (10) Union Fair International Limited is wholly-owned by Mr. Liu.
- (11) On June 9, 2017, EFG Atlantis China Pre-IPO Master Fund L.P. transferred all of its Series A Shares and Series B Shares to Atlantis China Star Fund II Limited.
- (12) International Treasure Ltd. is wholly-owned by Liu Sai Keung Thomas.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

2. Principal terms of the Pre-IPO Investments

The principal terms of the Pre-IPO Investments are set out below:

| | Series A Round | Series B Round | Series B (Plus) Round | Series C Round |
|--|---|-----------------|-----------------------|--------------------|
| Subscription completion date | March 22, 2012 | July 9, 2014 | January 27, 2016 | September 30, 2017 |
| Consideration payment date | March 30, 2012 | August 18, 2014 | March 15, 2016 | October 31, 2017 |
| Issue Price | US\$0.50 | US\$0.8735 | US\$0.8735 | US\$1.6123 |
| Discount to the Offer Price ⁽¹⁾ | 81.8% | 68.1% | 68.1% | 41.2% |
| Lock-Up Period | The equity securities in the Company held by the Pre-IPO Investors (other than Dong Ludwig and Fei Tai Hung) are subject to a six-month lock-up following the Listing Date. | | | |
| Use of proceeds from the Pre-IPO Investments | We utilized the proceeds for the development and operation of our business, including but not limited to, personnel recruitment, new business and product development, technology infrastructure, office utilities and marketing. As at the Latest Practicable Date, the net proceeds from the Pre-IPO Investments by the Pre-IPO Investors were yet to be fully utilized. | | | |
| Strategic benefits of the Pre-IPO Investors brought to our Company | At the time of the Pre-IPO Investments, our Directors were of the view that we could benefit from the additional capital that would be provided by the Pre-IPO Investors' investment and the possibility that we could take advantage of the Pre-IPO Investors' knowledge and experience. | | | |

Note:

- (1) The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$21.50 per Share, being the midpoint of the indicative Offer Price range of HK\$20.00 to HK\$23.00, on the basis of our enlarged share capital of our Company immediately upon completion of the Global Offering.

3. Special rights of the Pre-IPO Investors

In addition to the terms described above, the Pre-IPO Investors were granted certain special rights in relation to our Company pursuant to the Pre-IPO Shareholders' Agreement. The Pre-IPO Shareholders' Agreement and such special rights are expected to terminate prior to the Listing, in accordance with the terms of the Pre-IPO Shareholders' Agreement.

4. Public Float

Upon the completion of the Global Offering (assuming the Over-allotment Option and share options granted under the Pre-IPO Share Option Schemes are not exercised), High Loyal Management Limited will hold 10.20% of the issued Shares. High Loyal Management Limited will therefore be a core connected person of the Company as defined in the Listing Rules. The Shares held by High Loyal Management Limited will therefore not be counted towards the public float.

Upon the completion of the Global Offering (assuming the Over-allotment Option and share options granted under the Pre-IPO Share Option Schemes are not exercised), Atlantis China Star Fund

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Limited and Atlantis China Star Fund II Limited will in aggregate hold 6.98% of the issued Shares. Atlantis China Star Fund Limited and Atlantis China Star Fund II Limited are managed by companies that are indirectly wholly-owned by Liu Yang, our non-executive Director and a core connected person of the Company, as defined in the Listing Rules. The Shares held by Atlantis China Star Fund Limited and Atlantis China Star Fund II Limited will therefore not be counted towards the public float.

Upon the completion of the Global Offering (assuming the Over-allotment Option and share options granted under the Pre-IPO Share Option Schemes are not exercised), International Treasure Ltd. will hold 1.37% of the issued Shares. International Treasure Ltd. is ultimately beneficially owned by Liu Sai Keung Thomas, our executive Director and a core connected person of the Company, as defined in the Listing Rules. The Shares held by International Treasure Ltd. will therefore not be counted towards the public float.

Upon the completion of the Global Offering (assuming the Over-allotment Option and share options granted under the Pre-IPO Share Option Schemes are not exercised), CPED (KY) Limited and NM Strategic Focus Fund L.P. will in aggregate hold 2.73% of the issued Shares. CPED (KY) Limited is 50% beneficially owned by Yip Ka Kay, our non-executive Director. NM Strategic Focus Fund L.P. is managed by its general partner, a company that is wholly-owned by Yip Ka Kay. CPED (KY) Limited and NM Strategic Focus Fund L.P. are therefore close associates of a core connected person of the Company, as defined in the Listing Rules. The Shares held by CPED (KY) Limited and NM Strategic Focus Fund L.P. will therefore not be counted towards the public float.

Upon the completion of the Global Offering (assuming the Over-allotment Option and share options granted under the Pre-IPO Share Option Schemes are not exercised), Wu Chak Man will hold 0.55% of the issued Shares. Wu Chak Man is an independent non-executive Director and core connected person of the Company as defined in the Listing Rules. The Shares held by Wu Chak Man will therefore not be counted towards the public float.

Save as disclosed above, no other Pre-IPO Investor is a core connected person of the Company, as defined in the Listing Rules. Therefore, the Shares held by the other Pre-IPO Investors will count towards the public float.

5. Information about the Pre-IPO Investors

High Loyal Management Limited is an investment holding company, incorporated under the laws of the BVI and wholly-owned by Kwok Peter Viem and Kwok Chang Shiu Feng as to 50% each. As of the date of this prospectus, High Loyal Management Limited holds 11.84% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares).

CPED Asia (No.1) Limited is an investment holding company incorporated under the laws of the Cayman Islands. As of the date of this prospectus, CPED Asia (No.1) Limited holds 8.71% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares). CPED Asia (No.1) Limited primarily invests in the financial services, health care, consumer food and beverage industries. CPED Asia (No.1) Limited is 100% owned by Cavenham Private Equity And Directs, which is 100% owned by Cavamont Investments Limited, which in turn is 100% owned by Cavamont Holdings Limited. Cavamont Holdings Limited is owned by EastWest Trust Company Ltd. and Blue Seas Trust Company Ltd., both of which are licensed trustee companies subject to the supervision of the Cayman Islands Monetary Authority (CIMA), as trustees of discretionary and

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

irrevocable trusts created for the benefit of the close family of the late Sir James Goldsmith, none of whom control 10% or more of the voting rights in CPED Asia (No.1) Limited.

CPED (KY) Limited is an investment holding company, incorporated under the laws of the Cayman Islands. As of the date of this prospectus, CPED (KY) Limited holds 0.94% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares). CPED (KY) Limited primarily invests in the financial services, health care, consumer food and beverage industries. CPED (KY) Limited is beneficially owned 50% by Yip Ka Kay, a non-executive Director, and 50% by Cavenham Private Equity And Directs.

Atlantis China Star Fund Limited and Atlantis China Star Fund II Limited (the “**Atlantis Funds**”) are exempted open-ended investment companies incorporated with limited liability under the laws of the Cayman Islands. As of the date of this prospectus, the Atlantis Funds hold, in aggregate, 8.10% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares). Each of the Atlantis Funds is managed by Riverwood Asset Management (Cayman) Limited (“**Riverwood**”), a Cayman Islands exempted limited company. Riverwood has appointed Atlantis Investment Management Limited (formerly known as Atlantis Investment Management (Hong Kong) Limited) (“**Atlantis**”), a company incorporated in Hong Kong with limited liability and authorized by the Securities and Futures Commission of Hong Kong to undertake type-4 (Advising on Securities) and type-9 (Asset Management) regulated activities to serve as the Atlantis Funds’ sub-investment manager. Each of Riverwood and Atlantis is indirectly wholly-owned by Liu Yang, the Chairman of Atlantis and a director of Atlantis, Riverwood and each of the Atlantis Funds.

TPG Growth III SF Pte. Ltd. is a company incorporated in the Republic of Singapore. TPG Growth III SF Pte. Ltd. is an affiliate of TPG Growth, the middle market and growth equity investment platform of TPG, a leading global alternative assets investment firm founded in 1992 with over US\$74 billion of assets under management. With more than US\$8 billion in assets under management and committed capital, TPG Growth targets investments in a broad range of industries and geographies, with a significant focus on the United States and large, emerging markets such as China, India, Brazil, Turkey, Africa and Southeast Asia. As of the date of this prospectus, TPG Growth III SF Pte. Ltd. holds 7.23% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares).

NM Strategic Focus Fund L.P. is a venture capital fund registered in the Cayman Islands. NM Strategic Focus Fund L.P. is advised and managed by its general partner, NM Strategic Partners, LLC. The director and sole shareholder of NM Strategic Partners, LLC is Yip Ka Kay, a non-executive Director. As of the date of this prospectus, NM Strategic Focus Fund L.P. holds 2.23% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares). NM Strategic Focus Fund L.P. has approximately 15 limited partners including individual professional investors and institutional investors located in Philippines, Hong Kong, and U.S. NM Strategic Focus Fund L.P. was established to make capital investments by investing primarily in growth stage companies in the fields of consumer and related products, cleantech, and fintech. Its investment are all located in mainland China.

Fei Tai Hung was previously a director of the Company. As of the date of this prospectus, Fei Tai Hung holds 1.77% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

International Treasure Ltd. is an investment holding company, incorporated under the laws of the BVI and wholly-owned by Liu Sai Keung Thomas, an executive Director. As of the date of this prospectus, International Treasure Ltd. holds 1.59% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares).

DJM Holding Ltd. is a company incorporated in the British Virgin Islands with limited liability. It is wholly-owned by Liu Dejian and a controlling shareholder of NetDragon Websoft Holdings Limited (Hong Kong Stock Exchange Stock Code: 777), which is listed on the Main Board of the Stock Exchange. As of the date of this prospectus, DJM Holding Ltd. holds 0.96% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares).

Dong Ludwig was previously a director of the Company. As of the date of this prospectus, Dong Ludwig holds 0.76% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares).

Wu Chak Man is an independent non-executive Director. As of the date of this prospectus, Wu Chak Man holds 0.64% of our total issued and outstanding Shares (assuming that all Preferred Shares are converted into Shares).

COMPLIANCE WITH INTERIM GUIDANCE AND GUIDANCE LETTERS

On the basis that (i) the consideration for the Pre-IPO Investments was settled more than 28 clear days before the date of our first submission of the listing application form to the Listing Division of the Stock Exchange in relation to the Listing and (ii) all special rights granted to the Pre-IPO Investors will not survive Listing, the Joint Sponsors have confirmed that the Pre-IPO Investments are in compliance with the Interim Guidance on Pre-IPO Investments issued by the Stock Exchange on October 13, 2010, as updated in March 2017, the Guidance Letter HKEx-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017 and the Guidance Letter HKEx-GL44-12 issued by the Stock Exchange in October 2012 and as updated in March 2017.

PRC REGULATORY REQUIREMENTS

According to the Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “M&A Rules”) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a PRC company or individual that intends to acquire its/his/her related domestic company through an offshore company which it/he/she lawfully established or controls, such acquisition shall be subject to the examination and approval of MOFCOM. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies. Our PRC Legal Advisor is of the view that, unless new laws and regulations are enacted or MOFCOM and CSRC publish new provisions or interpretations on the M&A Rules to the contrary in the future, prior CSRC or MOFCOM approval for this offering is not required because (i) the

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Company and our PRC subsidiaries are controlled and beneficially owned by Hong Kong permanent residents rather than any PRC company or individual under the M&A Rules; and (ii) our PRC subsidiaries were established by foreign direct investment, rather than through a merger or acquisition of a domestic company as defined under the M&A Rules.

THE SHAREHOLDER UNDERTAKINGS

Mr. Ma, a co-founder of our Company, is also our Controlling Shareholder. Mr. Ma has provided certain undertakings to (i) our Company and the Stock Exchange described under the section headed “Underwriting—Undertakings to the Stock Exchange pursuant to the Listing Rules—Undertakings by our Controlling Shareholders”; and (ii) each of our Company, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Hong Kong Underwriters and the Joint Sponsors described under the section headed “Underwriting—Undertakings pursuant to the Hong Kong Underwriting Agreement—Undertaking by the Controlling Shareholders”.

Mr. Liu, a co-founder of our Company, controls (i) Magic Mount Limited; (ii) Perfect Castle Development Limited; and (iii) Union Fair International Limited. The equity securities in our Company held by each of Magic Mount Limited, Perfect Castle Development Limited and Union Fair International Limited are subject to a six-month lock-up following the Listing Date.

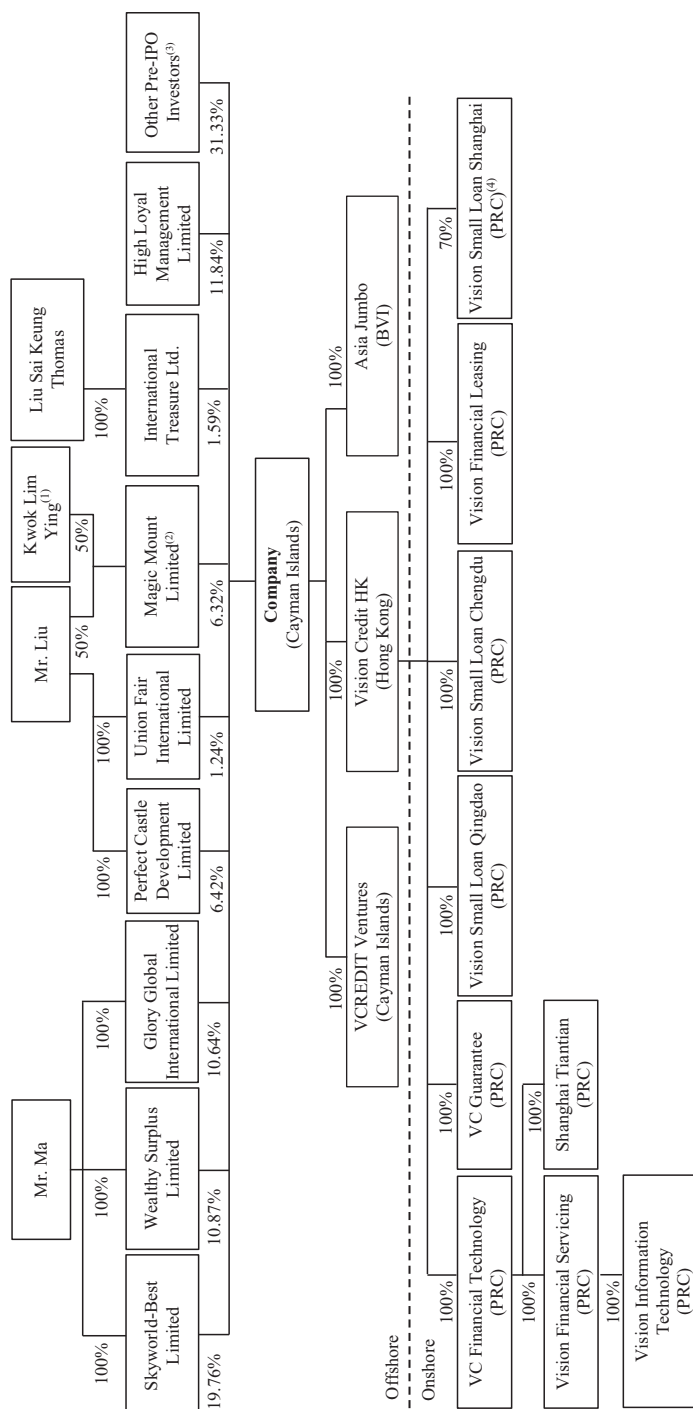
The equity securities in our Company held by each of the Pre-IPO Investors (other than Dong Ludwig and Fei Tai Hung) are subject to a six-month lock-up following the Listing Date.

PRE-IPO SHARE OPTION SCHEMES

We adopted the Pre-IPO Share Option Schemes. See the section headed “Statutory and General Information—Share Option Schemes—Pre-IPO Share Option Schemes” in Appendix IV for further details.

OUR STRUCTURE IMMEDIATELY PRIOR TO THE GLOBAL OFFERING

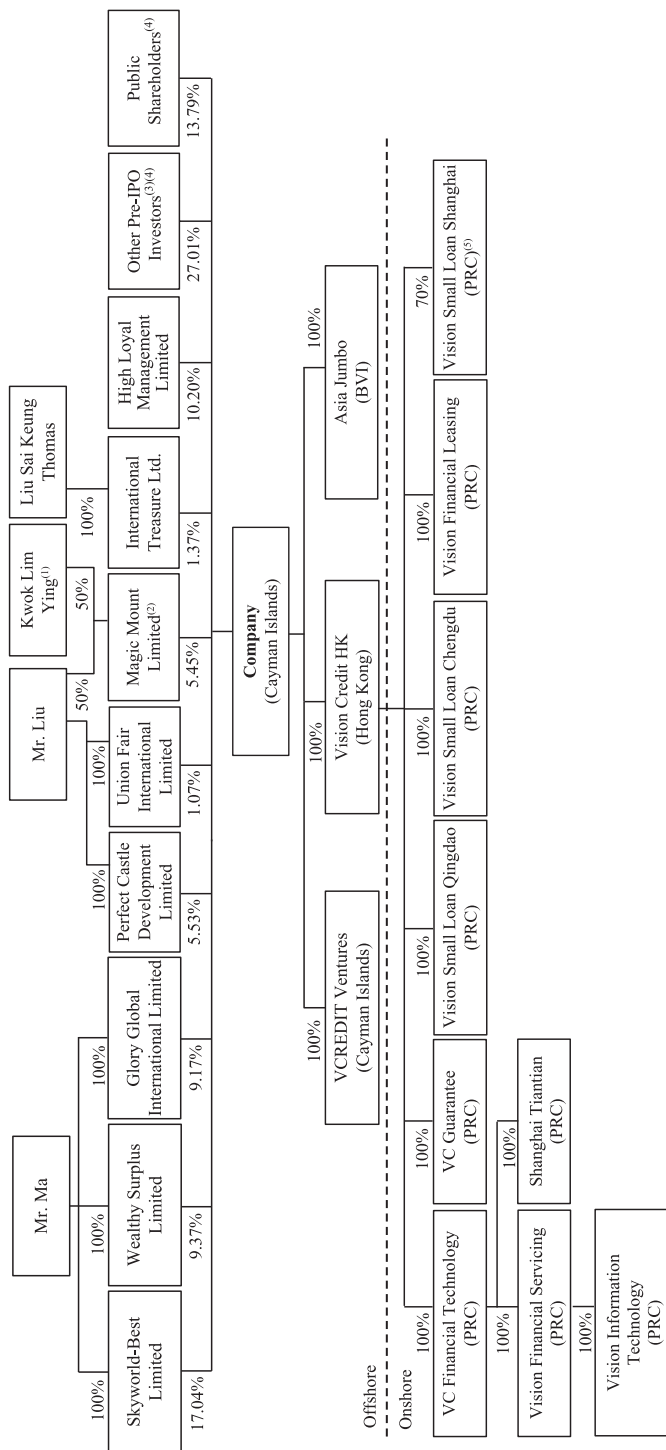
The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the Global Offering (assuming the Over-allotment Option and the share options granted under the Pre-IPO Share Option Schemes are not exercised):



Notes:

- (1) Kwok Lim Ying is the mother of Mr. Liu.
- (2) Magic Mount Limited acquired 3,000,000 Shares, 349,878 Series B Shares and 646,824 Series B (Plus) Shares from Xue Lan in a private transfer completed on January 31, 2018. The total number of shares subject to the transfer represents approximately 0.89% of the issued and outstanding share capital of the Company at the date of the transfer (assuming all Preferred Shares are converted to Share). The transfer between the parties was a private, confidential transaction. Following the transfer, Xue Lan ceased to hold any share in the Company.
- (3) The remaining interest is held by the other Pre-IPO Investors: Fei Tai Hung as to 1.77%; Dong Ludwig as to 0.76%; CPED Asia (No.1) Limited as to 8.71%; CPED (KY) Limited as to 0.94%; Atlantis China Star Fund II Limited as to 6.79%; NM Strategic Focus Fund L.P. as to 2.23%; DJM Holding Ltd. as to 0.96%; Wu Chak Man as to 0.64%; Atlantis China Star Fund Limited as to 1.31%; TPG Growth III SF Pie. Ltd. as to 7.23%. Please see “—Pre-IPO Investments—Overview” above.
- (4) The equity interest in Vision Small Loan Shanghai is held by Vision Credit HK as to 70% and China Everbright Capital Investment Co., Ltd. (光大資本投资有限公司), an Independent Third Party, as to 30%. On December 20, 2017, China Everbright Capital Investment Co., Ltd. agreed to transfer its 30% equity interest in Vision Small Loan Shanghai to VC Financial Technology. As of the Latest Practicable Date, the transfer is under review by the relevant PRC regulatory authorities.

The following diagram illustrates the corporate and shareholding structure of our Group immediately following the completion the Global Offering (assuming the Over-allotment Option and the share options granted under the Pre-IPO Share Option Schemes are not exercised):



Notes:

- (1) Kwok Lim Ying is the mother of Mr. Liu.
- (2) Magic Mount Limited acquired 3,000,000 Shares, 349,878 Series B Shares and 646,824 Series B (Plus) Shares from Xue Lan in a private transfer completed on January 31, 2018. The total number of shares subject to the transfer represents approximately 0.93% of the issued and outstanding share capital of the Company at the date of the transfer (assuming all Preferred Shares are converted to Shares). The transfer between the parties was a private, confidential transaction. Following the transfer, Xue Lan ceased to hold any shares in the Company.
- (3) The remaining interest is held by the other Pre-IPO Investors: Fei Tai Hung as to 1.53%; Dong Ludwig as to 0.65%; CPED Asia (No.1) Limited as to 7.51%; CPED (KY) Limited as to 0.81%; Atlantis China Star Fund II Limited as to 5.85%; NM Strategic Focus Fund L.P. as to 1.92%; DJM Holding Ltd. as to 0.82%; Wu Chak Man as to 0.55%; Atlantis China Star Fund Limited as to 1.13%; TPG Growth III SF Pte. Ltd. as to 6.24%. Please see “Pre-IPO Investments—Overview” above.
- (4) The expected public float immediately following completion of the Global Offering is 30.53% (assuming the Over-allotment Option and share options granted under the Pre-IPO Share Options Schemes are not exercised), which comprises the shares to be held by the other public shareholders and the other Pre-IPO investors who are not core connected persons of the Company.
- (5) The equity interest in Vision Small Loan Shanghai is held by Vision Credit HK as to 70% and China Everbright Capital Investment Co., Ltd. (光大資本投资有限公司), an Independent Third Party, as to 30%. On December 20, 2017, China Everbright Capital Investment Co., Ltd. agreed to transfer its 30% equity interest in Vision Small Loan Shanghai to VC Financial Technology. As of the Latest Practicable Date, the transfer is under review by the relevant PRC regulatory authorities.