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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)**

### **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF UP TO 100% OF BPG**

#### **ACQUISITION OF BPG**

On 5 May 2023, the Company and the Sellers entered into the Sale and Purchase Agreement pursuant to which the Company has conditionally agreed to:

- (1) purchase, and the Sellers have conditionally agreed to sell, 141,407,564 shares in, and representing 98.87% of the issued shares (including treasury shares) of, BPG and subordinated debt issued by BPG in the principal amount of EUR3,000,000; and
- (2) make an offer to the Minority Shareholders to purchase 1,561,279 shares in, and representing 1.09% of the issued shares (including treasury shares) of, BPG.

The consideration for the Sale Shares shall be equal to the net asset value of BPG as at the Seller Shares Completion Date, pro-rated in respect of the Seller Shares and the Minority Shares, and the consideration for the Subordinated Debt shall be equal to the principal amount of the Subordinated Debt plus accrued interest, if any.

In addition, following the Seller Shares Completion, the Sellers shall be entitled to receive the Earn Outs, if any.

Assuming the Seller Shares Completion occurs, BPG will become a non-wholly owned subsidiary of the Company and, assuming the Minority Shares Completion occurs, BPG shall become a wholly-owned subsidiary of the Company.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) in respect of the Acquisition (taking into account the maximum amount of the Consideration and the Earn Outs) is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## **GENERAL**

**As the completion of the Acquisition is subject to the satisfaction or waiver (as applicable) of the Conditions Precedent, the Acquisition may or may not proceed. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

The Board is pleased to announce that on 5 May 2023, the Company and the Sellers entered into the Sale and Purchase Agreement, pursuant to which the Company has conditionally agreed to:

- (1) purchase, and the Sellers have conditionally agreed to sell, the Seller Shares and the Subordinated Debt; and
- (2) make an offer to the Minority Shareholders to purchase the Minority Shares.

## **SALE AND PURCHASE AGREEMENT**

The principal terms of the Sale and Purchase Agreement are summarised below:

### **Date**

5 May 2023

### **Parties**

- (A) the Company; and
- (B) the Sellers, independent third parties not connected with the Company, its subsidiaries or any connected person of the Company or its subsidiaries.

### **Subject matter**

The Company has conditionally agreed to:

- (A) purchase, and the Sellers have conditionally agreed to sell, the Seller Shares, which represent 98.87% of the issued shares (including treasury shares) in BPG, and the Subordinated Debt; and
- (B) make an offer to the Minority Shareholders to purchase the Minority Shares, which represent 1.09% of the issued shares (including treasury shares), in BPG.

Assuming the Seller Shares Completion occurs, the Company shall acquire 98.87% of the issued shares (including treasury shares) in BPG, and BPG will become a non-wholly owned subsidiary of the Company and the financial statements of BPG will be consolidated into the financial statements of the Group.

Assuming the Minority Shares Completion also occurs and the Company purchases all of the Minority Shares, the Company will acquire 100% of the issued shares (excluding treasury shares) in BPG and BPG will become a wholly-owned subsidiary of the Company.

## **Consideration**

The total consideration payable by the Company for the Sale Shares shall be equal to the net asset value of BPG as at the Seller Shares Completion Date, pro-rated in respect of the Seller Shares and the Minority Shares. Based on the audited financial statements of BPG for the year ended 31 December 2022, the net asset value of BPG as at 31 December 2022 was EUR19,471,331 (HK\$168,637,304).

The consideration payable by the Company for the Subordinated Debt shall be equal to the principal amount of the Subordinated Debt of EUR3,000,000 (HK\$25,982,400), plus accrued interest, if any.

## **Down Payment**

The Company has paid a cash down payment of EUR1,000,000 (HK\$8,660,800) to the Sellers upon signing of the Sale and Purchase Agreement. The Down Payment shall be:

- (A) applied towards the payment of the purchase price of the Seller Shares at the Seller Shares Completion; or
- (B) refunded to the Company if:
  - (1) the Conditions Precedent are not satisfied (other than as a result of the default of the Company) or waived and the Seller Shares Completion does not occur; or
  - (2) the Sellers breach their exclusivity obligations and the Company terminates the Sale and Purchase Agreement.

## **Earn Outs**

The Sellers have an entitlement to the following earn out rights:

- (A) in the event BPG is profitable in the five (5) calendar years following the Seller Shares Completion Date and as a result is in a position to utilise deferred tax assets arising from tax losses carried forward by BPG on the Seller Shares Completion Date, the Company shall pay the Sellers yearly and within thirty (30) Business Days of having used or having been able to use the deferred tax assets an amount equal to 50% of such deferred tax assets. Based on the audited financial statements of BPG for the year ended 31 December 2022, the amount of deferred tax assets of BPG as at 31 December 2022 was EUR12,984,569 (HK\$112,456,755); and
- (B) in the event BPG sells certain real estate owned by BPG at the Seller Shares Completion Date in the period of five (5) calendar years commencing from the Seller Shares Completion Date, the Sellers shall receive from the Company an amount equal to 50% of, if any, the aggregate gain (being the amount the aggregate net proceeds of sale exceed the aggregate book value) arising from such sales of real estate.

## **Basis of determination of the Consideration**

The consideration payable in respect of the Seller Shares and the Subordinated Debt and, as applicable, the Minority Shares was determined after arm's length negotiations between the Company and the Sellers and after the Company having undergone a competitive tender process.

## **Conditions Precedent**

The Seller Shares Completion is conditional upon the satisfaction of the following conditions precedent:

- (A) on or before the Long Stop Date, the ECB having issued, or being deemed to have issued upon the expiry of the applicable review period, an unconditional non-opposition to the acquisition of the Seller Shares by the Company; and
- (B) at the Seller Shares Completion Date:
- (1) BPG fully complying with all prudential and regulatory limits, requirements and ratios which are material to the ability of BPG to operate as a credit institution pursuant to the relevant provisions of applicable law, and there being no facts at the Seller Shares Completion that are likely to result, in the Company's reasonable and justified opinion, in the non-compliance by BPG with such regulatory limits, requirements and ratios;
  - (2) non-existence of a decision from the competent authority cancelling or revoking BPG's licences and/or restricting BPG's activity and/or determining BPG's resolution, and the non-occurrence of facts that, in the Company's reasonable and justified opinion, are likely to result in the competent authority issuing such a decision;
  - (3) BPG's liquidity position ("*posição de liquidez*") at the central banks amounting to at least EUR45,000,000 at the Seller Shares Completion (or any amount required by the competent authority);
  - (4) non-existence of any breach of the Sellers' fundamental warranties, principally representations and warranties concerning the title of the Sellers to, and their authority, right and capacity to sell, the Seller Shares and the Subordinated Debt; and
  - (5) non-existence of a breach of the interim period obligations (being principally obligations of the Sellers during the period commencing after the signing of the Sale and Purchase Agreement and ending on the Seller Shares Completion Date to, amongst others, cause BPG to conduct its business in the ordinary course as set out in the Sale and Purchase Agreement) having, or potentially having, a material adverse effect on the ability of BPG to fully operate as a credit institution as it is currently operating and pursuant to the relevant provisions of applicable law.

The ECB Condition Precedent may be waived by agreement of the Sellers and the Company, to the extent legally possible.

The Non-ECB Conditions Precedent may be waived by the Company.

In the event any of the Conditions Precedent is not satisfied or, as applicable, waived by the latest applicable date for satisfaction, either the Sellers or the Company may terminate the Sale and Purchase Agreement unless any failure of satisfaction of the Conditions Precedent arises as a result of its breach.

As at the date of this announcement, all of the Conditions Precedent remain to be satisfied.

The Board anticipates any decision of the ECB in respect of the ECB Condition Precedent is expected to take between eighteen (18) months and twenty-four (24) months from the date of the Sale and Purchase Agreement.

## **Completion**

Subject to the satisfaction or, as applicable, waiver of the Conditions Precedent, the Seller Shares Completion shall occur on the last Business Day of the Applicable Completion Month.

## **Indicative Price and Final Price of the Seller Shares**

The purchase price of the Seller Shares at the Seller Shares Completion shall be the Indicative Price as determined based on the Reviewed Reference Accounts.

Following the Seller Shares Completion, the actual purchase price of the Seller Shares shall be adjusted to the Final Price as determined based on the Reviewed Closing Accounts. If the Final Price is less than the Indicative Price, the Sellers shall reimburse the difference to the Company and in the event the Final Price is more than the Indicative Price, the Company shall pay the difference to the Sellers.

## **Maximum Amount of Consideration and Earn Outs**

The maximum aggregate amount payable by the Company:

- (A) in respect of the Earn Outs is EUR7,000,000 (HK\$60,625,600); and
- (B) in respect of the Consideration and the Earn Outs is EUR35,000,000 (HK\$303,128,000).

## **Termination**

The Sale and Purchase Agreement may be terminated as follows:

- (A) by the Seller or the Company, in the event the ECB Condition Precedent is not satisfied by the Long Stop Date or if a breach of any material Seller Shares Completion condition occurs; and
- (B) by the Company, in the event any of the Non-ECB Conditions Precedent is not satisfied (or waived by the Company) by the Seller Shares Completion Date or if the Sellers breach any undertaking in the Sale and Purchase Agreement.

## **Assignment of Rights and Obligations to Subsidiary**

The Company has the right to assign its rights and obligations under the Sale and Purchase Agreement to a wholly-owned subsidiary of the Group prior to the Seller Shares Completion Date.

## **INFORMATION ON THE GROUP**

The Group is a technology-driven consumer finance service provider, offering tailored consumer finance products to prime and near-prime borrowers who are underserved by traditional financial institutions. The Group also offers consumer finance products by facilitating transactions between borrowers and financial institutions or lending to borrowers.

## **INFORMATION ON BPG**

BPG is a credit institution registered with the BoP and a financial intermediary registered with the Securities Market Commission in Portugal and began operations in 2000. It serves individual and corporate clients and institutions.

Based on the audited financial statements of BPG prepared in accordance with IFRS, certain key financial information of BPG for its two financial years ended 31 December 2022 and 31 December 2021 are as follows:

	<b>For the financial year ended 31 December</b>			
	<b>2022</b>		<b>2021</b>	
	<b>EUR</b>	<b>Equivalent to HK\$</b>	<b>EUR</b>	<b>Equivalent to HK\$</b>
<b>Net (loss) before tax</b>	(4,826,188)	(41,798,649)	(8,707,390)	(75,412,963)
<b>Net (loss) after tax</b>	(4,896,762)	(42,409,876)	(8,748,976)	(75,773,131)

The audited net asset value of BPG as at 31 December 2022 was EUR19,471,331 (HK\$168,637,304).

## **INFORMATION ON THE SELLERS**

Fundação Oriente was created on 18 March 1988 and is a non-profit-making private law organisation with established legal status. It was established by the Sociedade de Turismo e Diversões de Macau as part of the conditions imposed by the Macao Administration for the concession of exclusive gambling rights in Macao until 31 December 2001.

Sociedade Transnacional de Desenvolvimento de Participações (S.G.P.S.), S.A. is a holding company (*sociedade gestora de participações sociais*) focusing on the management of shareholdings in other companies, as an indirect form of carrying out economic activities and the provision of administrative and management services to all or some of the companies in which it has a shareholding or with which it has entered into a subordination contract.

Each of the Sellers is an independent third party, not connected with the Company, its subsidiaries or any connected person of the Company or its subsidiaries.

## **BENEFITS AND FINANCIAL EFFECT OF THE ACQUISITION**

The Group's technology driven online consumer finance business is currently conducted in China, serving underserved high quality prime and near-prime borrowers. In addition to growing its existing consumer finance business in China, the Group has been looking to expand and diversify its business strategy by investing or collaborating in or acquiring similar, related or complementary businesses and industries in other jurisdictions including Hong Kong, South-East Asia and Europe. The acquisition of BPG would represent a step in the Group's business strategy to access markets outside China and is aligned with its business and investment strategy, and would complement the existing business of the Group.

BPG, an existing operating licensed credit institution, would provide the Group with an immediate European presence and base enabling it to serve customers in Portugal and across the European market. The Group plans to combine the existing talent at BPG with its experience as a technology based AI driven lender, including deploying its proven proprietary credit assessment and risk management technology, to assist BPG to deliver a turnaround in its business methods and approach and financial performance.

Assuming the Seller Shares Completion occurs, BPG will become a non-wholly owned subsidiary of the Company. In such circumstances, BPG's financial results will be consolidated into the Group's consolidated financial statements.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under rule 14.07 of the Listing Rules) in respect of the Acquisition (taking into account the maximum amount of the Consideration and the Earn Outs) is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

## GENERAL

**As the completion of the Acquisition is subject to the satisfaction or waiver (as applicable) of the Conditions Precedent, the Acquisition may or may not proceed. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the sale and purchase of the Sale Shares and the Subordinated Debt and, as applicable, the Minority Shares
“Applicable Completion Month”	the month when both of the following documents exist:  (A) the Reviewed Reference Accounts; and (B) the unconditional non-opposition of the ECB or the BoP in respect of the ECB Condition Precedent,  provided that if either or both of these documents are in existence less than 15 Business Days prior to the end of such month, the immediately following month
“Board”	the board of Directors
“BoP”	Bank of Portugal
“BPG”	Banco Português de Gestão, S.A,
“Business Day”	a day other than a Saturday, a Sunday or a public holiday in Lisbon, Portugal and Hong Kong
“China”	the People’s Republic of China
“Company”	VCREDIT Holdings Limited, a company registered by way of continuation in the Cayman Islands and the issued shares of which are listed on the Stock Exchange
“Conditions Precedent”	the ECB Condition Precedent and the Non-ECB Conditions Precedent
“connected person”	has the meaning given in the Listing Rules
“Consideration”	the consideration payable by the Company to the Sellers in respect of the Seller Shares and the Subordinated Debt and, as applicable, the Minority Shares as described in the section headed “Consideration” contained in this announcement
“Directors”	the directors of the Company
“discloseable transaction”	has the meaning given in the Listing Rules

“Down Payment”	the cash down payment in the amount of EUR1,000,000 (HK\$8,660,800) paid by the Company to the Sellers
“Earn Outs”	the entitlement of the Sellers under the earn out provisions described in the section headed “Earn Outs” contained in this announcement
“ECB”	European Central Bank
“ECB Condition Precedent”	the Condition Precedent specified in paragraph (A) in the section headed “Conditions Precedent” in this announcement
“Final Price”	means the final price to be paid by the Company for the Seller Shares calculated as the amount corresponding to 98.87% – or such higher shareholding percentage of the Sellers in BPG that may exist on the Seller Shares Completion Date – of the net asset value of BPG as per the Reviewed Closing Accounts
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“IFRS”	International Financial Reporting Standards
“Indicative Price”	the indicative price to be paid by the Company for the Seller Shares on the Seller Shares Completion Date, calculated as the amount corresponding to 98.87% – or such higher shareholding percentage of the Sellers in BPG that may exist on the Seller Shares Completion Date – of the net asset value of BPG as per the Reviewed Reference Accounts plus or minus: (i) the accumulated unaudited changes in the net asset value of BPG between the Reference Date and the last day of the calendar month prior to the Seller Shares Completion Date; and (ii) BPG management’s projection for the changes in the net asset value of BPG during the calendar month of the Seller Shares Completion Date
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	the date falling eighteen (18) months after the date of the Sale and Purchase Agreement and, if the ECB has not issued or not deemed to have issued an unconditional non-opposition to the acquisition of the Seller Shares by the Company by the end of such period, automatically extended for an additional six (6) months
“Minority Shareholders”	shareholders of BPG (other than the Sellers) who are not known to the Company as at the date of this announcement and whom the Board believes are independent third parties not connected with the Company, its subsidiaries or any connected person of the Company or its subsidiaries
“Minority Shares”	as at the date of this announcement, an aggregate of 1,561,279 shares in, and representing 1.09% of the issued shares (including treasury shares) of, BPG held by the Minority Shareholders



“Minority Shares Completion”	completion of the sale and purchase of the Minority Shares pursuant to the Sale and Purchase Agreement
“Non-ECB Conditions Precedent”	the Conditions Precedent specified in paragraph (B) in the section headed “Conditions Precedent” in this announcement
“Reference Date”	the last day of the month immediately preceding the date of receipt by the Sellers from the Company of a complete copy of the notification by BoP that the filing of a non-opposition request with the BoP in accordance with, amongst others, the BoP Notice No. 6/2021 has been completed
“Reviewed Closing Accounts”	the statement of financial position, the statement of profit and loss and the statement of changes in equity of BPG made up to the Seller Shares Completion Date prepared by BPG and as reviewed by an external auditor as mutually agreed between the Sellers and the Company and, if applicable, by the independent auditor mutually agreed between the Sellers and the Company
“Reviewed Reference Accounts”	the statement of financial position, the statement of profit and loss and the statement of changes in equity of BPG made up to the Reference Date, as reviewed by the external auditor to be appointed by the Sellers and the Company and, if applicable, an independent auditor as mutually agreed between the Sellers and the Company
“Sale and Purchase Agreement”	the sale and purchase agreement dated 5 May 2023 and made between the Sellers and the Company relating to the sale and purchase of the Seller Shares and the Subordinated Debt
“Sale Shares”	the Seller Shares and the Minority Shares
“Seller Shares”	as at the date of this announcement, an aggregate of 141,407,564 shares in, and representing 98.87% of the issued shares (including treasury shares) of, BPG held by the Sellers, plus any additional shares in BPG acquired by the Sellers on or before the Seller Shares Completion Date
“Seller Shares Completion”	completion of the sale and purchase of the Seller Shares and the Subordinated Debt in accordance with the Sale and Purchase Agreement
“Seller Shares Completion Date”	the date on which the Seller Shares Completion occurs, being the last Business Day of the Applicable Completion Month
“Sellers”	Fundação Oriente and S.T.D.P. – Sociedade Transnacional de Desenvolvimento de Participações (S.G.P.S.), S.A.
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subordinated Debt”	subordinated debt issued by BPG in the principal amount of EUR3,000,000
“subsidiaries”	has the meaning ascribed thereto in the Listing Rules

“EUR”	euro, the lawful currency of the member states of the European Union that have adopted the single currency in accordance with the Treaty establishing the European Communities, as amended by the Treaty on European Union
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

*This announcement contains translation between EUR and HK\$ at EUR1.0 = HK\$8.6608. The translation shall not be taken as a representation that the HK\$ amount could actually be converted into EUR or the EUR amount could be converted into HK\$ at that rate stated or at all.*

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

Hong Kong, 5 May 2023

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