

No:

Provided to:

PORTFOLIO SUPPLEMENT

MEIXIN SPC LIMITED

an exempted segregated portfolio company incorporated
under the laws of the Cayman Islands

SEGREGATED PORTFOLIO: MEIXIN PORTFOLIO 1

June 2016

The information below relates to a designated segregated portfolio (the “**Segregated Portfolio**”) of Meixin SPC Limited (the “**Fund**”) and supplements and must be read in conjunction with the Fund’s Confidential Private Placement Memorandum (as may be amended and supplemented from time to time, the “**Memorandum**”) (attached as Exhibit A hereto) and the Fund’s memorandum and articles of association (as may be amended and supplemented from time to time, altogether the “**Articles**”). For definitions of certain capitalized terms used but not otherwise defined in this Portfolio Supplement shall bear the meaning given to such terms in the Memorandum and/or the Articles. This Portfolio Supplement sets out the specific terms and conditions of the subscription for R1 Preference Shares in the Segregated Portfolio to the extent that they differ from or are supplemental to the terms and conditions set out in the Memorandum and/or the Articles.

The Segregated Portfolio will invest all or substantially all of its investible assets through Prime Meridian Small Business Lending Fund Feeder SP (the “**Prime Meridian SP**”), a separate segregated portfolio of Prime Meridian Marketplace Lending SPC Limited (the “**Prime Meridian Feeder Fund**”). The Prime Meridian Feeder Fund is an exempted company incorporated under the laws of the British Virgin Islands.

THE FUND AND THE PRIME MERIDIAN FEEDER FUND ARE UNAFFILIATED ENTITIES. NONE OF THE INVESTMENT MANAGER (AS DEFINED BELOW) OR ANY MANAGER, PARTNER, MEMBER OR EMPLOYEE OF THE INVESTMENT MANAGER IS CONTROLLED BY, OR UNDER THE COMMON CONTROL, WITH THE PRIME MERIDIAN FEEDER FUND, ITS INVESTMENT MANAGER OR ANY ITS AFFILIATES. NEITHER THE INVESTMENT MANAGER NOR ANY ITS AFFILIATES HAVE PARTICIPATED IN THE PREPARATION OF THE CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM OF THE PRIME MERIDIAN FEEDER FUND DATED AS OF NOVEMBER 2015 AND THE SUPPLEMENT THERETO DATED AS OF NOVEMBER 2015 (COLLECTIVELY, THE “PRIME MERIDIAN MEMORANDUM”) AND MAKES NO REPRESENTATION WHATSOEVER WITH RESPECT TO THE TRUTHFULNESS AND COMPLETENESS OF THE PRIME MERIDIAN MEMORANDUM OR THE TRUTHFULNESS AND COMPLETENESS OF ANY OTHER OFFERING DOCUMENTS OF THE PRIME MERIDIAN FUND (TOGETHER WITH THE PRIME MERIDIAN MEMORANDUM, COLLECTIVELY, THE “PRIME MERIDIAN MATERIALS”). THE PRIME MERIDIAN MATERIALS ARE PROVIDED WITHOUT ANY INPUT OR MODIFICATION FROM THE INVESTMENT MANAGER. ALTHOUGH THE INVESTMENT MANAGER HAS PERFORMED LEGAL AND FINANCIAL DUE DILIGENCE ON THE PRIME MERIDIAN FUND AS DEEMED NECESSARY AND APPROPRIATE BY THE INVESTMENT MANAGER, THE INVESTMENT MANAGER’S DECISION TO INVEST THE FUND’S ASSETS IN THE PRIME MERIDIAN FUND IS BASED SOLELY ON INFORMATION CONTAINED IN THE PRIME MERIDIAN MEMORANDUM. THE INVESTMENT MANAGER HAS NOT INDEPENDENTLY VERIFIED IN THE INFORMATION CONTAINED IN THE PRIME MERIDIAN MEMORANDUM. THE INVESTMENT MANAGER, THE SEGREGATED PORTFOLIO AND THE FUND EXPRESSLY DISCLAIM ANY LIABILITY ASSOCIATED WITH OR ANY RESPONSIBILITY FOR THE TRUTHFULNESS AND COMPLETENESS OF THE PRIME MERIDIAN MEMORANDUM OR ANY OTHER PRIME MERIDIAN MATERIALS.

NAME OF SEGREGATED PORTFOLIO: Meixin Portfolio 1
(the “**Segregated Portfolio**” or “**Portfolio**”)

NAME OF INVESTMENT MANAGER OF SEGREGATED PORTFOLIO: Meixin Management LLC (the “**Investment Manager**”)

SECURITIES OFFERED: participating, non-voting Series R1 Preference Shares in the share capital of the Segregated Portfolio with a par value of \$0.001 per share (the “**R1 Shares**”, and each individually an “**R1 Share**”). The R1 Shares may be offered in any number of classes and series as the Directors may determine.

INVESTMENT OBJECTIVE: The investment objective of the Segregated Portfolio is to seek competitive returns through indirect investments in the small business lending marketplace by accessing one or more online marketplace lenders (collectively, the “**Issuers**”, and each individually an “**Issuer**”). The Investment Manager seeks to achieve such investment objective through investing in the “Prime Meridian SP, a segregated portfolio of the Prime Meridian Feeder Fund, which in turn invests all of its investible assets in the Prime Meridian Small Business Lending Fund, LP (the “Prime Meridian Master Fund”). According to the Confidential Private Placement of Prime Meridian Feeder Fund dated as of November 2015 and the supplement thereto dated as of November 2015 (collectively, the “**Prime Meridian Memorandum**”), the Prime Meridian Master Fund will primarily purchase secured private notes issued by the relevant Issuer (the “**Notes**”) through online credit platforms (collectively, the “**Platform**”). According to the Prime Meridian Memorandum, the Platform is an online marketplace that allows small business owners to request small business loans by posting listings on the Platform indicating a requested loan amount. In turn, lender members of the relevant Issuers, such as the Prime Meridian Master Fund, have the opportunity to bid on such loan listings and purchase Notes from the relevant Issuers relating to the borrower loans in the principal amounts of the respective bids. The Master Fund will receive its pro rata portion of principal and interest payments that the Issuer receives on the corresponding borrower loan for a given Note. In addition, a portion of the Prime Meridian Master Fund’s assets may be used to purchase notes issued in connection with other online or offline marketplace loans.

None of the Investment Manager, the Segregated Portfolio, the Fund or any of its or their affiliates have participated in any fashion in the preparation of the Prime Meridian Memorandum and make no representation whatsoever with respect to the truthfulness and completeness of the Prime Meridian Memorandum. Information in this Portfolio Supplement describing the Prime Meridian SP, the Prime Meridian Feeder Fund, the Prime Meridian Master Fund and the Prime Meridian Memorandum, including, without limitation, information set forth in the immediately preceding paragraph, is based on the Prime Meridian Memorandum in all respects. Please carefully review the statements set out herein.

There can be no assurance that the Investment Manager will be successful in pursuing the above investment objective. Past results of the Investment Manager and its principal decision makers in this or in other activities are not necessarily indicative of the future performance of the Segregated Portfolio.

LEVERAGE: The Segregated Portfolio may not borrow any funds or securities for any purpose.

HEDGING: The Segregated Portfolio may not enter into any speculative hedging arrangements of any kind. However, for the avoidance of doubt, if R1 Shares are issued in a currency other than the lawful currency of the United States, the Segregated Portfolio may enter into currency hedging arrangements to hedge its exposure in connection therewith.

DIVIDENDS: It is not envisaged that any income or gains derived from R1 Shares will be distributed by way of dividend. However, this does not preclude the Directors from declaring a dividend at any time in the future if they consider it appropriate to do so. If a dividend is declared, the Directors will distribute it in compliance with applicable laws.

REDEMPTIONS: The R1 Shares are not redeemable by the shareholders of the Segregated Portfolio holding R1 Shares (the “**R1 Shareholders**”). Each R1 Share will be subject to the rights and restrictions attached to each such R1 Share, including with respect to their redemption.

MANAGEMENT FEES AND INCENTIVE COMPENSATION: The Investment Manager will receive a management fee equal to one and a half percent (1.5%) of the gross principal subscription amount paid by each of the R1 Shareholders in relation to the R1 Shares (the “**Management Fee**”). The Management Fee will be paid to the Investment Manager on or about the date of completion of the offering and sale of R1 Shares, with the remainder of the principal subscription amount paid by each of the R1 Shareholders in relation to the R1 Shares being invested as set out herein on behalf of the Shareholders. The Investment Manager will not receive any incentive compensation (such as carried interest or a performance fee) in relation to the R1 Shares and the management thereof.

ORGANIZATIONAL AND OTHER EXPENSES: The Investment Manager shall pay its own expenses such as office rent, supplies, stationery, secretarial expenses, charges for furniture and fixtures, employee insurance, payroll taxes and compensation of employees.

Ordinary organizational and operational expenses of the Fund and the Portfolio will be paid by the Investment Manager, including all fees associated with the offering of R1 Shares, the costs of incorporating and maintaining the Fund and Portfolio, and all ordinary transaction fees and expenses directly related to the Portfolio’s investment activities.

R1 Shareholders shall only be responsible for Management Fees and Extraordinary Expenses of the Portfolio (as defined below). When used herein, “**Extraordinary Expenses of the Portfolio**” means all non-ordinary-course liabilities of the Portfolio, including, without limitation, liabilities arising from tax audits and lawsuits against the Fund in relation to the Portfolio and/or its investments or against the Portfolio directly. The directors of the Fund shall have the sole discretion, at the relevant time, to determine the pro rata liability of each R1 Shareholder (or former R1 Shareholder) in this regard, and each R1 Shareholder confirms their liability to pay amounts due under this provision irrespective of whether they are no longer an R1 Shareholder at the relevant time. Management Fee amounts will be paid in accordance with the terms hereof.

MINIMUM SUBSCRIPTION AND REQUIRED STATUS OF INVESTOR: The minimum investment per subscriber in relation to the Segregated Portfolio is US\$10,000. The Directors may waive or reduce the minimum initial investment either generally or in any particular case. Each Shareholder must be, at all times that they are a shareholder in the Fund (including any of its segregated portfolios), a High Net Worth Person. When used herein, a “**High Net Worth Person**” refers to an individual with net assets of at least US\$1 million or any type of entity with net assets of at least US\$5 million.

SHARE RIGHTS OF R1 SHARES: The holders of R1 Shares shall: (i) not be entitled to vote at any meetings of the shareholders of the Fund or Segregated Portfolio, (ii) be entitled to receive (on a pro rata basis) the remaining assets of the Segregated Portfolio and all amounts directly attributable to the R1 Shares upon dissolution of the Company, and (iii) be entitled to receive (on a pro rata basis) dividends directly attributable to the R1 Shares as and when declared by the Company.

SURRENDER OF R1 SHARES FOR CANCELLATION: Each holder of R1 Shares will, at the time of their subscription for such R1 Shares, execute a form of share surrender that confirms that their R1 Shares will be surrendered to the Fund for cancellation on the later of: (i) the six (6) month anniversary of the Subscription Date, or (ii) such other date determined by the Directors of the Fund in their sole discretion (the “**Surrender Date**”). The consideration for such surrender of R1 Shares will be the Fund’s agreement to pay each R1 Shareholder the R1 Redemption Amount (as defined below) generally within sixty (60) days of the Surrender Date (the “**Repayment Period**”).

SUSPENSION OF REPAYMENT PERIOD: The Directors may declare a temporary suspension of the Repayment Period in such circumstances as they may deem appropriate, including:

- i. during any period when the Prime Meridian SP has deferred or suspended the determination of the value of its investments or suspend redemption in accordance with the provisions of the constitution of that Prime Meridian SP or the terms on which the Segregated Portfolio invested in the Prime Meridian SP;
- ii. when, in the opinion of the Directors, the disposal of a substantial part of the assets of a Segregated Portfolio would not be reasonably practicable or could not be carried out in an orderly manner;
- iii. when the business operations of the Investment Manager or Fund Administrator are substantially interrupted or closed due to pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, cyber-attack, natural disaster or other events beyond the reasonable control of the relevant party; and
- iv. when, in the opinion of the Directors, it would be in the best interests of the Segregated Portfolio to do so.

Any suspension will take effect at the time the Directors specify in their declaration. The suspension will continue until the Directors declare that it has ended. The holders of R1 Shares affected will be notified of any suspension as soon as practicable after the declaration of such suspension. Such Shareholders will also be notified when the period of such suspension has ended.

INVESTMENT AMOUNT IN PRIME MERIDIAN SP AND INVESTMENT PERIOD: The amounts invested by the Segregated Portfolio into Prime Meridian SP on behalf of each Shareholder shall be equal to such Shareholder’s total subscription amount for R1 Shares less the Management Fee (the “**Invested Amount**”). Notwithstanding that the R1 Shares will be surrendered for cancellation on the Surrender Date which is six (6) months from the Subscription Date (or such other date determined by the directors of the Fund in their sole discretion), due to the timing of the redemption request to be submitted to Prime Meridian SP, the Invested Amount shall actually only be invested in the underlying Prime Meridian SP for five (5) months and the calculation of the return on such Invested Amount will be based on the five (5) month period in which such capital is invested in Prime Meridian SP.

REDEEMED AMOUNT AND TIMING OF PAYMENT: The amount that will be paid to each R1 Shareholder as consideration for the surrender of such R1 Shares on the Surrender Date will be equal to such Shareholder’s pro rata percentage of R1 Shares multiplied by the total proceeds from the redemption all of the Segregated Portfolio’s shares in Prime Meridian SP (after deducting all related fees and performance fees due to Prime Meridian SP, as more specifically set out in the Prime Meridian Memorandum) to the Segregated Portfolio in respect to the R1 Share investments (the “**R1 Redemption**”).

Amount”). As set out above, amounts due to the Shareholders shall be paid out by the Segregated Portfolio during the Repayment Period.

RIGHT TO INFORMATION: Each R1 Shareholder will have the right to inspect unaudited year-end financial statements of the Segregated Portfolio relating to the period during which such Shareholder holds or held R1 Shares.

FINANCIAL YEAR END: The financial year of the Fund will end on 31 December in each year.

CERTAIN RISKS: An investment in the R1 Shares involves substantial risks. Prospective investors should give careful consideration to the following factors and the risk factors set forth in the Memorandum, among others, in evaluating the merits and suitability of an investment in the R1 Shares:

Valuation. There will generally be no readily available market prices for the Segregated Portfolio’s investments in the Prime Meridian SP. The valuation procedures of the Fund provide that the fair value the Segregated Portfolio’s investments in the Prime Meridian SP ordinarily will be the value determined for the Prime Meridian SP and the Prime Meridian Master Fund in accordance with their own valuation policies. The Investment will have little or no means of independently verifying the valuations provided by or on behalf of the Prime Meridian SP or the Prime Meridian Master Fund. If such valuations are inaccurate for any reason, the Net Asset Value of the Segregated Portfolio will also be inaccurate.

No diversification. The Segregated Portfolio expects to invest all or substantially all of its assets in the Prime Meridian SP. Losses incurred in those investments could have a material adverse effect on the Segregated Portfolio’s overall financial condition. This is because the value of R1 Shares will be more susceptible to any single occurrence affecting the Prime Meridian SP than would be the case with a more diversified investment portfolio.

Short term of underlying investment. The period in which a Shareholder’s Invested Amount is actually invested in the underlying investment is quite short. Often short term investments do not have an expectation of as large a total return amount (after all associated fees) as longer term investments.

Fees and performance fees in underlying investments. Prime Meridian SP charges fees to manage its investments. As a result, Prime Meridian SP will redeem amounts to the Segregated Portfolio only after netting off its management and carried interest fees.

Segregated Portfolio Company. The Fund is established as a segregated portfolio company under Cayman Islands law. As a matter of Cayman Islands law, the assets of one segregated portfolio are not available to meet the liabilities of another. However, the Fund is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognize such segregation and, in such circumstances, there is a risk that the assets of a segregated portfolio may be applied to meet the liabilities of another segregated portfolio whose assets are exhausted.

General. The value of the R1 Shares and the underlying investments may fall as well as rise and investors may not get back the amount originally invested. Accordingly, an investment in the Fund and/or the Segregated Portfolio should only be made by persons who are able to bear the risk of loss of all the capital invested. Investments of the Fund will be subject to market fluctuations and risks inherent in all investments and might also be affected by external factors such as global economic recession or the occurrence of any force majeure events which are beyond the control of the Investment Manager, the Segregated Portfolio

and/or the Fund. There can be no assurance that the Investment Manager, the Fund or the Segregated Portfolio will achieve its investment objective. Investors should also be aware that the value of the investments made by the Fund and/or the Segregated Portfolio may fall as well as rise having a corresponding effect on the returns of each R1 Shareholder. Before making an investment decision, a prospective investor should consider the suitability of the investment in the R1 Shares with respect to their investment objectives and personal risk profile.

Tax Risk Factor. It is not clear whether the Segregated Portfolio is treated as a corporation or pass-through entity owned by its shareholders or the Fund for U.S. federal income tax purposes. The Segregated Portfolio will invest substantially all of its investable assets in the Prime Meridian SP, a separate segregated portfolio of the Prime Meridian Feeder Fund and substantially all of the Segregated Portfolio's income will consist of its share of the Prime Meridian SP's income, gains, losses and deductions.

Under U.S. federal income tax law, if both the Prime Meridian SP and the Segregated Portfolio are treated as a pass-through entity and the Prime Meridian SP is considered to be engaged in a trade or business in the United States, each non-U.S. investor of the Segregated Portfolio will be deemed to be so engaged in a trade or business in the United States. In such event, the following U.S. federal income tax consequences may occur: (i) the Prime Meridian SP (or its affiliates) and/or the Segregated Portfolio is required to withhold and pay over to the U.S. tax authorities a percentage equal to the highest applicable U.S. federal income tax rate of each non-U.S. investor's allocable share of the Prime Meridian SP's income that is effectively connected with its conduct of a United States trade or business, (ii) each non-U.S. investor is required to file U.S. federal tax returns and pay U.S. federal income tax on its share of the Prime Meridian SP's net effectively connected income as if were a U.S. investor and, in addition, a non-U.S. investor that is a foreign corporation for U.S. federal income tax purposes may be subject to an additional branch profits tax at a rate of 30% (or an applicable lower treaty rate) of its effectively connected earnings and profits (subject to certain adjustments), (iii) a non-U.S. investor may be deemed to have a "permanent establishment" in the United States and will not be entitled to any treaty benefits that would otherwise be available to such investor absent the investment in the Segregated Portfolio and (iv) a non-U.S. investor may be subject to special information reporting requirements under Section 6038C of the United States Internal Revenue Code of 1986, as amended. If a non-U.S. investor failed to file the U.S. federal income tax return is required to file under clause (ii) above, the U.S. taxing authority may deny any deductions that would be claimed in such U.S. federal income tax return and thereby increase such non-U.S. investor's taxable income. Moreover, the U.S. taxing authority may assess significant interest and penalty for all unpaid taxes that were required to be paid in previous years.

If the Prime Meridian SP is treated as a corporation and considered to be engaged in a trade or business in the United States, its entire income derived from the United States may be subject to the U.S. federal income tax as described above, which may result in a material diminishing value of the Segregated Portfolio's entire investment in Prime Meridian SP.

We expect the Prime Meridian SP to take the position that all of its activities including a purchase of the notes issued by online lending platform should not be considered to be engaged in a trade or business within the United States and it should not be required to pay any U.S. federal income tax or withholding tax. However, there is no clear guidance on the issue and the US tax analysis on this issue is inherently fact-intensive. We believe that the Prime Meridian SP does not intend to obtain an advance ruling from the U.S. taxing authority on this issue. Therefore, there can be no assurance that the U.S. taxing authority could not successfully challenge the Prime Meridian SP's position. In addition, neither the Investment Manager nor the Segregated Portfolio controls the operation of the Prime Meridian SP and there is no

assurance that the Prime Meridian SP will take any measures to minimize the risk of being considered to be engaged in a trade or business in the United States.

Other risk factors. Each prospective investor in the Segregated Portfolio should also carefully review and consider all risk factors described in the Memorandum. Each investor in the Segregated Portfolio will be indirectly exposed to all risks associated with the Segregated Portfolio's investments in the Prime Meridian SP, the Prime Meridian Feeder Fund and the Prime Meridian Master Fund. The Investment Manager, the Segregated Portfolio and the Fund exert no control and have little or no influence over the activities of the Prime Meridian SP, the Prime Meridian Feeder Fund and the Prime Meridian Master Fund other than the rights of the Segregated Portfolio as a shareholder of the Prime Meridian SP under the organizational documents of the Prime Meridian SP and under applicable laws.

The Investment Manager may, on behalf of the Fund and/or the Segregated Portfolio, enter into transaction(s) with one or more counterparties which may expose the Fund and/or the Segregated Portfolio to the credit risk of the counterparties. In the event of a bankruptcy or insolvency of the counterparties, the Fund and/or the Segregated Portfolio could experience delays in liquidating positions and significant losses, including declines in the value of its investment during the period in which the Fund and/or the Segregated Portfolio seeks to enforce its rights, inability to redeem any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

The Investment Manager intends that the counterparties with which it deals on behalf of the Fund and/or the Segregated Portfolio must have reasonable financial soundness at the time of entering into the relevant transaction.

There is also a possibility that the above transactions will be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

Each of the Investment Manager, the Fund and the Segregated Portfolio must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates, is incorporated or is authorised. Should any of those laws change over the life of the Fund and/or the Segregated Portfolio, the legal requirements to which the Fund and/or the Segregated Portfolio and its or their shareholders may be subject to could differ materially from current requirements. Accordingly, changes in laws or regulations, or a failure to comply with any relevant laws and regulations, may adversely affect the business, investments and results of operations of the Fund and/or the Segregated Portfolio. While the Investment Manager believes that the Fund offers potential for capital appreciation, no assurance can be given that this objective will be achieved. Investors should assess for themselves the risks of investing in the shares of the Fund and/or the Segregated Portfolio.

THE FOREGOING RISK FACTORS DO NOT PURPORT TO BE ALL THE RISKS INVOLVED IN THIS OFFERING. POTENTIAL INVESTORS SHOULD READ THIS DOCUMENT IN ITS ENTIRETY AND SEEK INDEPENDENT ADVICE BEFORE DETERMINING WHETHER TO INVEST IN THE SHARES.

ANNEXURE A
FUND MEMORANDUM