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CREDIT CHINA HOLDINGS LIMITED
(中國信貸控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8207)

**NON-LEGALLY BINDING TERM SHEET
IN RELATION TO THE PROPOSED CO-OPERATION
IN A PRIVATE AND CLOSED-ENDED FUND**

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The Board is pleased to announce that on 27 June 2013 (after trading hours), the Company, CTF and VMS entered into a non-legally binding Co-operation Term Sheet pursuant to which the parties agreed to cooperate in the Fund. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, CTF and VMS are third parties independent of the Company and its connected persons.

The Board would like to emphasize that no legally binding agreement(s) in relation to the proposed co-operation have been entered into among the Company, CTF and VMS. As the proposed co-operation may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made by Credit China Holdings Limited (the “**Company**” together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the GEM Listing Rules and Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

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INFORMATION OF THE FUND AND THE CO-OPERATION

The Fund is currently a private, closed-ended RMB qualified foreign limited partnership established in the PRC with Target Smart as the limited partner with 98% of the partnership interest and Absolute Wise as the general partner with 2% of the partnership interest. As at the date of this announcement, Target Smart is wholly-owned by Vast Well, and Ever Step, a direct wholly-owned subsidiary of the Company, holds the entire issued share capital in each of Vast Well and Absolute Wise.

The Fund's primary objective is to achieve high return through low risk investments in lending transactions, or special situation opportunities in the PRC. The lending transactions should be secured by collaterals with sufficient value which will be mainly real estate properties. The Fund will invest in companies domiciled in or whose primary business operations are in the PRC. The intended maximum size of the Fund is RMB1,000 million (equivalent to approximately HK\$1,260 million) and the intended term of the Fund is 5 years unless extended at the discretion of the Limited Partner. It is intended that the Fund will have the right of first refusal on any projects sourced by the Group involving loans exceeding a certain principal amount.

After the proposed capital reorganisation, (i) CTF will become the sole shareholder of all the issued ordinary share capital of Vast Well and be indirectly interested in 98% of the partnership interest in the Fund through Target Smart as the limited partner; and (ii) Ever Step and VMS will respectively hold 51% and 49% of the issued share capital of Absolute Wise which holds 2% of the partnership interest in the Fund as the general partner.

It is intended that Target Smart and Absolute Wise will be responsible for 98% and 2% of the capital commitment to the Fund. The 2% capital commitment of Absolute Wise will be contributed in the proportion of 51% and 49% by the Company through Ever Step and VMS respectively. Ever Step and VMS will set up an onshore management company to act as the fund manager of the Fund. It is intended that Ever Step and VMS will respectively hold 51% and 49% of the interest in the fund manager. The fund manager will be entitled to an annual management fee based on the time weighted asset under management. The General Partner of the Fund will be entitled to carried interest after accounting for a predetermined hurdle rate. Upon receipt of the carried interest, the General Partner of the Fund shall immediately pay certain percentage of the carried interest to CTF as a fee for introducing clients to the Fund.

As at the date of this announcement, the Company through Target Smart and Absolute Wise has contributed an amount of RMB180 million (equivalent to approximately HK\$226.8 million) to the Fund. It is intended that after the proposed capital reorganisation and the commencement of the co-operation, the Company shall continue to be entitled to all the return on the investments financed by such prior contribution and responsible for all the related loss.

REASONS FOR THE PROPOSED CO-OPERATION

The Group is principally engaged in the provision of financing services in the PRC and Hong Kong. CTF is principally engaged in investment holding and VMS is principally engaged in investment holding.

The Directors consider that the proposed co-operation under the Co-operation Term Sheet, if materializes, represents a good opportunity for providing an additional income source to the Group. The Directors are of the view that the terms of the Co-operation Term Sheet are fair and reasonable and proposed co-operation is in the interests of the Company and the Shareholders as a whole.

The Board would like to emphasize that no legally binding agreement(s) in relation to the proposed co-operation have been entered into among the Company, CTF and VMS. As the proposed co-operation may or may not materialize, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“Absolute Wise” or “General Partner”	Absolute Wise Holdings Limited (展騰控股有限公司), a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“CTF”	Chow Tai Fook Nominee Limited, a company incorporated in Hong Kong with limited liability
“Company”	Credit China Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the Shares of which are listed on GEM
“Co-operation Term Sheet”	a co-operation term sheet dated 27 June 2013 and entered into among the Company, CTF and VMS
“Directors”	the directors of the Company

“Ever Step”	Ever Step Holdings Limited (永階控股有限公司), a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company
“Fund”	重慶潤科股權投資基金合夥企業(有限合夥)(Chongqing Run Ke Equity Investment Fund Partnership (Limited Partnership) [#]), a private, closed-ended RMB qualified foreign limited partnership established in the PRC
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Shareholders”	holders of the issued Shares
“Share(s)”	ordinary share(s) of HK\$0.1 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Smart” or “Limited Partner”	Target Smart Investments Limited (駿飛投資有限公司), a company incorporated in Hong Kong with limited liability, an indirect wholly-owned subsidiary of the Company
“Vast Well”	Vast Well International Limited (浩佳國際有限公司), a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of the Company
“VMS”	VMS Investment Group Limited, a company incorporated in the British Virgin Islands with limited liability

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent

By order of the Board
Credit China Holdings Limited
Ting Pang Wan, Raymond
Chairman

Hong Kong, 27 June 2013

As at the date of this announcement, the directors of the Company are as follows:

Executive Directors:

Mr. Ting Pang Wan, Raymond (*Chairman*)
Mr. Shi Zhi Jun (*Deputy Chairman*)
Mr. Ji Zu Guang
Ms. Shen Li (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Neo Poh Kiat
Dr. Lau Reimer Mary Jean
Mr. Lee Sze Wai

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the “Latest Company Announcements” page of the GEM website (www.hkgem.com) for at least 7 days from the date of its publication and on the website of the Company (www.creditchina.hk).

In this announcement, for reference only, the translation of Renminbi into Hong Kong dollars is based on the exchange rate of RMB1.00 = HK\$1.26.

[#] *the English translations of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*