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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)

**DISCLOSEABLE TRANSACTION:
EXERCISE OF FORECLOSURE OPTION
AND
ACQUISITION OF PROPERTY IN THE PRC**

The Board announces that as the Borrower has defaulted in the repayment of the Entrusted Loan, on 10 December 2013 (after trading hours), Shanghai Junyi exercised its Foreclosure Option by serving the Notice to the Borrower to (i) cancel the Buyback Option; and (ii) request the Borrower to cooperate in the relevant matters for the disposal of the Property to Shanghai Shenlong which is an indirect wholly-owned subsidiary of the Company.

For the purpose of the disposal of the Property to Shanghai Shenlong, on 10 December 2013 (after trading hours), Shanghai Junyi and Shanghai Shenlong entered into the Agreement with the Borrower and the Borrower's Holding Company, pursuant to which, the Borrower shall dispose of and Shanghai Shenlong shall acquire the Property at a consideration of RMB396 million (equivalent to approximately HK\$502.52 million).

As the relevant percentage ratios for the Acquisition calculated under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

Reference is made to the announcement of the Company dated 8 July 2013 (the "Announcement") in relation to the discloseable transaction involving provision of financial assistance and advance to an entity. Terms defined in the Announcement shall have the same meanings when used herein unless the context requires otherwise.

Pursuant to the terms of the Co-operation Agreement, after the Borrower and/or the Borrower's Holding Company have defaulted in repayment of the principal and/or interest of the Previous Loan and/or the Entrusted Loan when they fall due, Shanghai Junyi shall have right to give the Borrower a notice to cancel the Buyback Option at any time until full repayment of the outstanding principal and interest of the Previous Loan and the Entrusted Loan by the Borrower and the Borrower's Holding Company.

The Board announces that as the Borrower has defaulted in the repayment of the Entrusted Loan, on 10 December 2013 (after trading hours), Shanghai Junyi exercised its Foreclosure Option by serving a notice (the "**Notice**") to the Borrower to (i) cancel the Buyback Option; and (ii) request the Borrower to cooperate in the relevant matters for the disposal of the Property to 上海深隆商務諮詢有限公司 (Shanghai Shenlong Business Consultancy Limited[#]) ("**Shanghai Shenlong**") which is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company.

For the purpose of the disposal of the Property by the Borrower to Shanghai Shenlong, on 10 December 2013 (after trading hours), Shanghai Junyi and Shanghai Shenlong entered into the agreement (the "**Agreement**") with the Borrower and the Borrower's Holding Company, pursuant to which, the Borrower shall dispose of and Shanghai Shenlong shall acquire the Property (the "**Acquisition**") at a consideration of RMB396 million (equivalent to approximately HK\$502.52 million).

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Borrower, the Borrower's Holding Company and their ultimate beneficial owner(s) are third parties independent of the Company and connected persons of the Company.

The consideration of the Acquisition in the amount of RMB396 million (equivalent to approximately HK\$502.52 million) is payable by Shanghai Shenlong in the following manners:

- (i) Shanghai Junyi shall, on behalf of Shanghai Shenlong, pay RMB210 million (equivalent to approximately HK\$266.49 million) in cash to the Borrower by 31 December 2013; and
- (ii) Shanghai Shenlong shall pay RMB186 million (equivalent to approximately HK\$236.03 million) in cash to the Borrower by 31 December 2013.

The consideration paid to the Borrower shall be deposited into an account (the "**Joint Account**") jointly controlled by Shanghai Junyi and the Borrower and shall be first applied towards the settlement of all the outstanding principal and interest under the Previous Loan and the Entrusted Loan owing to the relevant lending agents and all other outstanding debts owing to Shanghai Junyi's associated companies. All costs including taxes in relation to the execution of the Agreement shall be borne by the Borrower.

The consideration of the Property was arrived at after arm's length negotiations between the parties to the Agreement after having taken into account the market prices of comparable properties of similar size, character and location. The Directors consider that the consideration for the Acquisition arrived at after arm's length negotiations is fair and reasonable.

INFORMATION OF THE PROPERTY

The Property is a commercial property situated in Shanghai with a gross floor area of approximately 10,182.49 sq.m beneficially owned by the Borrower. The Property was transferred to Shanghai Shenlong as security in accordance with the terms of the Co-operation Agreement.

Further announcement will be made by the Company in respect of the rental income attributable to the Property.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in the provision of financing services in the PRC and Hong Kong. Shanghai Junyi is a limited liability company established in the PRC providing entrusted loan services to its customers in its ordinary and usual course of business. The Borrower and the Borrower's Holding Company are principally engaged in assets investment and letting of properties.

The Directors consider that the Acquisition represents a good investment opportunity and believe that the Group will benefit from the anticipated appreciation in value of the Property. In view of the above, the Directors consider that the terms of the Acquisition are fair and reasonable and the Acquisition is in the interest of the Company and its Shareholders as a whole.

GEM LISTING RULES IMPLICATIONS

As the relevant percentage ratios for the Acquisition calculated under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements of Chapter 19 of the GEM Listing Rules.

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

Hong Kong, 10 December 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 of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, 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\$1.269.

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.