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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)

PLACING OF NEW SHARES UNDER THE GENERAL MANDATE

Placing Agent



The Board is pleased to announce that on 11 November 2015 (after trading hours) the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent agreed to place, on a best-effort basis, an aggregate of up to 287,889,200 new Shares at the price of HK\$2.10 per Placing Share, to not less than six Placees, subject to the fulfillment of the conditions precedent set out in the Placing Agreement.

The maximum number of the Placing Shares represents (i) approximately 8.01% of the total existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 7.41% of the total issued share capital of the Company as enlarged by the issue and allotment of the Placing Shares immediately after Completion (assuming that there is no other change in the issued share capital of the Company from the date of the Placing Agreement up to the Completion Date).

The maximum gross proceeds and net proceeds from the Placing are expected to amount to approximately HK\$604.6 million and HK\$597.0 million, respectively. The Company intends to apply the net proceeds from the Placing for the Group's general working capital purposes and/or for the purpose of financing future business development and possible acquisition(s) in the internet financing business of the Group.

Shareholders and potential investors should note that Completion is conditional upon the satisfaction of all the conditions precedent to the Placing Agreement and the Placing Agent is entitled to terminate the Placing Agreement under certain circumstances. Accordingly, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

PRINCIPAL TERMS OF THE PLACING AGREEMENT

Date

11 November 2015 (after trading hours)

Parties

1. The Company
2. The Placing Agent

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are third parties independent to the Company and its connected persons.

Placing Shares

Pursuant to the Placing Agreement, the Company agreed to place through the Placing Agent, on a best-effort basis, an aggregate of up to 287,889,200 Placing Shares, to not less than six Placees who and whose ultimate beneficial owners (if applicable) are third parties independent to and not connected with the Company and its connected persons, at the Placing Price of HK\$2.10 per Placing Share.

The maximum number of 287,889,200 Placing Shares represents:

- (i) approximately 8.01% of the total existing issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 7.41% of the total issued share capital of the Company as enlarged by the issue and allotment of the Placing Shares immediately after Completion (assuming that there is no other change in the issued share capital of the Company from the date of the Placing Agreement up to the Completion Date).

The aggregate nominal value of the 287,889,200 Placing Shares is HK\$28,788,920.

The Placing Shares will be issued under the general mandate to allot and issue Shares granted by the Shareholders to the Directors at the Annual General Meeting. This general mandate provides that the Directors may allot, issue and deal with new Shares of up to 20% of the issued share capital of the Company as at the date on which the relevant resolution was passed at the Annual General Meeting, which amounted to 647,129,200 Shares.

As at the date of the Placing Agreement, 359,240,000 Shares have been issued by the Directors pursuant to such general mandate. The issue and allotment of the Placing Shares is therefore not subject to Shareholders' approval.

Application will be made to the Listing Committee for listing of, and permission to deal in, the Placing Shares on the Stock Exchange.

Placing Price

The Placing Price is HK\$2.10 per Placing Share. The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to, amongst other things, the recent trading performance of the Company.

The Placing Price represents:

- (i) a discount of approximately 8.70% to the closing price of HK\$2.30 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 4.20% to the average closing price of HK\$2.192 per Share as quoted on the Stock Exchange for the last five trading days up to and including 10 November 2015, being the last trading day in respect of the Shares immediately prior to the date of the Placing Agreement.

It is expected that the Placees (and their respective ultimate beneficial owners, if applicable) shall be independent to and not connected with the Company and its connected persons. Immediately after Completion of the Placing, each Placee, together with the parties acting in concert with it (if any), is not, and shall not be, entitled to exercise or control the exercise of 30% (or any amount specified in the Takeovers Code as the level for triggering a mandatory general offer) or more of the voting power at any general meeting of the Company and shall not become a substantial shareholder of the Company. If the number of the Placees for the Placing falls below six, the Company will disclose the details of such Placees in accordance with the applicable requirements of the GEM Listing Rules upon Completion by way of announcement.

Ranking of Placing Shares

The Placing Shares, when allotted, issued and fully paid, will rank pari passu in all respects amongst themselves and with all the existing Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions

Completion of the Placing is conditional upon:

- (a) the GEM Listing Committee of Stock Exchange granting listing of, and permission to deal in, the Placing Shares; and
- (b) all necessary consents, approvals, authorizations and/or waivers having been obtained by the Company to effect the execution, completion and performance of the obligations and other terms of the Placing Agreement, if applicable.

The Company shall use its best endeavours to procure the fulfilment of the conditions set out above. In the event that the conditions are not fulfilled within fifteen Business Days from the date of the Placing Agreement, the Placing Agreement and all rights, obligations and liabilities under it will cease and terminate and neither party shall have any claim against the other in respect of the Placing, save that the Company shall pay the Placing Agent all charges, fees and expenses as may be payable by the Company in respect of the Placing to the extent they have been incurred whether or not Completion of the Placing takes place, provided that the Company shall not be required to pay any brokerage fees and commissions if Completion of the Placing does not take place.

Completion

Completion shall take place at or before 4:00 p.m. on the Completion Date.

Lock-up

The Placees shall have undertaken to the Company that for twelve months from the Completion Date, they will not, without the prior written consent from the Company, directly or indirectly and will procure that the registered holder(s) of the relevant Placing Shares, their controlled corporation(s) and any related trusts of which they are a beneficiary or discretionary object (if applicable) (either jointly or severally), will not, directly or indirectly:—

- (i) transfer or dispose of, nor enter into any agreements to transfer or dispose of or otherwise create any options, rights, interests or encumbrances (including the creation or entry into of any agreement to create any pledge or charge) in respect of any of the relevant Placing Shares or any interest in the relevant Placing Shares

(which includes any interest in a company which holds the relevant Placing Shares) or securities that constitute or confer the right to receive the relevant Placing Shares or securities convertible into or exercisable or exchangeable for or repayable with the relevant Placing Shares; or

- (ii) enter into a swap agreement or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the relevant Placing Shares, whether any such swap agreement or other agreement or transaction is to be settled by delivery of the relevant Placing Shares or other securities, in cash or otherwise; or
- (iii) agree (conditionally or unconditionally) to enter into or effect any transaction with the same economic effect as any of the transactions referred to in paragraph (i) and (ii) above.

Termination

The Placing Agent may after consultation with the Company terminate the Placing Agreement without any liability to the Company, by notice in writing given to the Company at any time prior to 9:30 a.m. on the Completion Date upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, has or may have an adverse material effect on the business or financial conditions or prospects of the Company or the Group taken as a whole or the success of the Placing or the full placement of all of the Placing Shares or otherwise makes it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement:

(A) there develops, occurs or comes into force:

- (i) any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions; or
- (ii) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (iii) any change in conditions of local, national or international securities markets; or

- (iv) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group; or
 - (v) a change or development involving a prospective change of taxation or exchange control (or the implementation of exchange control) in Hong Kong or elsewhere; or
 - (vi) any litigation or claim being instigated against any member of the Group which would have a material adverse effect on the Group; or
 - (vii) any suspension in the trading of Shares on the Stock Exchange for a continuous period of fifteen Business Days; or
- (B) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (C) there is any material change in the financial position of the Company.

In the event the Placing Agent terminates the Placing Agreement pursuant to the termination provisions contained therein, then all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Placing Agreement except for:

- (i) any antecedent breach of any obligation under the Placing Agreement; and
- (ii) any liability in respect of payment of expenses and indemnity under the Placing Agreement.

Placing Commission

The Placing Agent will receive a placing fee of 1.00% of the aggregate Placing Price of the Placing Shares. The Placing fee was arrived at after arm's length negotiations between the Company and the Placing Agent.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Board considers that the issue of the Placing Shares represents an opportunity to raise additional funds for the Company. The Directors are of the view that the Placing is in the interests of the Company and its Shareholders as a whole and the terms of the Placing Agreement are fair and reasonable.

The maximum gross proceeds from the Placing amount to approximately HK\$604.6 million. Upon deducting all expenses in relation to the Placing, the net proceeds from the Placing are expected to amount to approximately HK\$597.0 million. It is expected that the net price of each Placing Share will amount to approximately HK\$2.07. The Company intends to apply the net proceeds from the Placing for the Group's general working capital purposes and/or for the purpose of financing future business development and possible acquisition(s) in the internet financing business of the Group.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company on 10 May 2015 entered into a placing agreement with Aisidi (HK) Limited, pursuant to which Aisidi (HK) Limited conditionally agreed to subscribe for, and the Company conditionally agreed to issue, convertible bonds (the "Convertible Bonds") in the principal amount of HK\$300,000,000 at 100% of the principal amount of the Convertible Bonds. Assuming full conversion of the Convertible Bonds at the initial conversion price, the Convertible Bonds will be convertible into 115,384,615 Shares (subject to adjustments as set out in the conditions for issue of the Convertible Bonds). The estimated net proceeds from the issue of the Convertible Bonds, after deduction of related expenses, were approximately HK\$299,000,000. The net proceeds has been fully utilised by the Group for general working capital purposes.

On 9 July 2015, the Company placed an aggregate of 94,112,000 placing Shares. The gross proceeds from such placing amounted to approximately HK\$160.0 million. Upon deducting all expenses in relation to the Placing, the net proceeds were approximately HK\$157.5 million. The Company fully utilised the net proceeds for general working capital purposes.

On 22 October 2015, the Company placed an aggregate of 265,128,000 placing Shares. The gross proceeds from such placing amounted to approximately HK\$517.00 million. Upon deducting all expenses in relation to the Placing, the net proceeds were approximately HK\$505.33 million. The Company has not yet utilised the net proceeds and intends to apply them for general working capital purposes and/or for the purpose of financing future business development and possible acquisition(s) in the internet financing business of the Group.

Save for the fund raising activities disclosed above, the Company has not carried out any fund raising activities relating to the issue of equity securities in the past twelve months immediately preceding the date of this announcement.

CHANGES TO SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are the shareholding structures of the Company (i) as at the date of this announcement; and (ii) immediately after Completion of the Placing (assuming that there is no other change in the issued share capital of the Company or the interests of the below shareholders from the date of the Placing Agreement up to the Completion Date):

Name of Shareholder	As at the date of this announcement		Immediately after Completion	
	<i>No. of Shares held</i>	<i>Approx %</i>	<i>No. of Shares held</i>	<i>Approx %</i>
Mr. Zhang Zhenxin ⁽¹⁾	781,148,000	21.72	781,148,000	20.12
Ms. So Naoko ⁽²⁾	211,790,000	5.89	211,790,000	5.45
Shanghai Xinhua Publishing Group Limited ⁽³⁾	355,990,400	9.90	355,990,400	9.17
Mr. Yam Tak Cheung ⁽⁴⁾	197,400,000	5.49	197,400,000	5.08
Placees of the Placing Agent	–	–	287,889,200	7.41
<i>Others:</i>				
Public	2,048,557,600	56.98	2,048,557,600	52.76
Total	<u>3,594,886,000</u>	–	<u>3,882,775,200</u>	–

Notes:

- (1) These Shares were held by Mr. Zhang Zhenxin beneficially, by First Pay Limited (the entire issued share capital of which was owned by Mr. Zhang) and by Ms. Zhang Xiaomin, who is the wife of Mr. Zhang. Therefore, Mr. Zhang was deemed to be interested in these Shares under the SFO.
- (2) These Shares were held by Silver Paragon Limited, the entire issued share capital of which was owned by Ms. Naoko So. Therefore, Ms. So was deemed to be interested in these Shares under the SFO.
- (3) These Shares were held by Jiefang Media (UK) Co. Limited. Jiefang Media (UK) Co. Limited was wholly-owned by Shanghai Xinhua Publishing Group Limited which was in turn owned by Jiefang Daily Group and its associates as to approximately 50.8% and Shanghai Greenland Group Company Limited as to approximately 39%. Therefore, under the SFO, Shanghai Xinhua Publishing Group Limited was deemed to be interested in all the Shares held by Jiefang Media (UK) Co. Limited, and each of Jiefang Daily Group and Shanghai Greenland Group Company Limited were deemed to be interested in all the Shares which Shanghai Xinhua Publishing Group Limited was deemed to be interested in.

- (4) These Shares were held by Integrated Asset Management (Asia) Limited, the entire issued share capital of which was owned by Mr. Yam Tak Cheung. Therefore, Mr. Yam was deemed to be interested in these Shares under the SFO.
- (5) Percentages may not add up to one hundred due to rounding.

WARNING OF RISKS OF DEALING IN SHARES

Shareholders and potential investors should note that Completion is conditional upon the satisfaction of all the conditions precedent to the Placing Agreement and the Placing Agent is entitled to terminate the Placing Agreement under certain circumstances. Accordingly, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company held on 11 May 2015
“Board”	the board of Directors
“Business Day(s)”	any day(s) (other than a Saturday or Sunday or public holiday) on which banks in Hong Kong are generally open for business
“Company”	Credit China Holdings Limited (中國信貸控股有限公司), a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Growth Enterprise Market of the Stock Exchange
“Completion”	completion of the Placing pursuant to the terms and conditions of the Placing Agreement
“Completion Date”	the fifth Business Day after the date upon which the conditions precedent to the Placing Agreement shall have been fulfilled (or such other date as may be agreed between the Company and the Placing Agent) but in any event no later than the fifteenth Business Day from the date of the Placing Agreement (i.e. 2 December 2015)

“connected persons”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Committee”	has the meaning ascribed to it under the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM as amended, supplemented or otherwise modified from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Placees”	placees selected and procured by the Placing Agent or its agent(s) who will be professional, institutional or individual investors
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Sheng Yuan Securities Limited, a corporation licensed to conduct Types 1, 2 and 4 regulated activities under the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Placing Agreement”	the conditional Placing agreement entered into on 11 November 2015 (after trading hours) between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$2.10 per Placing Share
“Placing Shares”	up to 287,889,200 new Shares to be allotted and issued to the Placing Agent pursuant to the Placing Agreement

“PRC”	the People’s Republic of China (excluding, for the purpose of this announcement, Hong Kong, Macao Special Administrative Region and Taiwan)
“SFO”	the Securities and Futures Ordinance
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“%”	per cent.

By order of the Board
Credit China Holdings Limited
Phang Yew Kiat
Vice-Chairman, Executive Director and
Chief Executive Officer

Hong Kong, 11 November 2015

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

Executive Directors:

Mr. Phang Yew Kiat (*Vice-Chairman and Chief Executive Officer*)
Mr. Chng Swee Ho
Mr. Sheng Jia

Non-executive Directors:

Mr. Li Mingshan (*Chairman*)
Mr. Li Gang
Mr. Wong Sai Hung
Mr. Zhang Zhenxin

Independent Non-executive Directors:

Mr. Ge Ming
Dr. Ou Minggang
Mr. Wang Wei
Dr. Yin Zhongli

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. This announcement will also be published on the website of the Company (www.creditchina.hk).