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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)

### **MAJOR TRANSACTION**

#### **ACQUISITION OF 35% EQUITY INTEREST IN GENESIS BUSINESS HOLDINGS LIMITED**

##### **THE SALE AND PURCHASE AGREEMENT**

The Board refers to the Company's voluntary announcement dated 1 November 2015 disclosing that a wholly-owned subsidiary of the Company agreed with certain independent third parties to acquire a 10% equity interest in Genesis Business Holdings Limited (創峰控股有限公司), namely the Target Company) at a consideration of RMB160 million together with the right to acquire further interests in it at the Group's election. The acquisition of the initial 10% interest in the Target Company has not completed as at the date of the announcement.

The Board is pleased to announce that on 26 November 2015 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, conditionally exercised its right to acquire a further 25% equity interest in the Target Company under the Sale and Purchase Agreement.

Under the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell for a total consideration of RMB560 million (i) the Sale Shares at a consideration of RMB160 million, representing a 10% equity interest in the Target Company and (ii) the Option Shares at a consideration of RMB400 million, shall represent a 25% equity interest in the Target Company. The consideration for the Sales Shares shall be settled in cash while the consideration for the Option Shares may be settled at the election of the Purchaser in cash, by way of issue of Shares or a combination of both. Collectively, the Sale Shares and the Option Shares in aggregate will represent approximately 35% of the issued share capital of the Target Company.

The Acquisition is subject to fulfillment of the conditions precedent as detailed in the paragraphs headed “Conditions precedent” in this announcement. Upon Completion, the Company will be interested in 35% of the issued share capital of the Target Company and the Target Company will be accounted for as a subsidiary of the Company. Further, the Purchaser shall grant the Put Option. If the conditions precedent to the acquisition of the Option Shares are not fulfilled or waived (as the case may be), the Purchaser may only complete the initial acquisition of the Sale Shares.

#### **IMPLICATION OF THE GEM LISTING RULES**

On exercise of the Call Option, the aggregate size of the Acquisition and the Put Option (as if exercised as at the date of this announcement) under the highest applicable percentage ratios (as defined under the GEM Listing Rules) is greater than 25% but less than 100%. Therefore, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement and Shareholders’ approval requirements. The Company will comply with all applicable PRC laws and regulations together with the requirements under the GEM Listing Rules and the Stock Exchange’s guidance.

A circular containing, among other things, further details of the Acquisition and a notice of EGM will be despatched to the Shareholders on or before 17 December 2015.

**Completion of the Acquisition is subject to the fulfilment or waiver of conditions precedent set out in the Sale and Purchase Agreement. Accordingly, the Acquisition may or may not proceed at all, or only the acquisition of the Sale Shares may proceed. Shareholders and potential investors are reminded to exercise caution when dealing in Shares.**

## **INTRODUCTION**

As disclosed in Company's voluntary announcement dated 1 November 2015, the Purchaser agreed with the Vendors to acquire a 10% equity interest in the Target Company at a consideration of RMB160 million together with the right to acquire further interests in it at the Group's election. The acquisition of the initial 10% interest in the Target Company has not completed as at the date of the announcement.

On 26 November 2015 (after trading hours), the Purchaser, a wholly-owned subsidiary of the Company, conditionally exercised its right to acquire a further 25% equity interest in the Target Company under the Sale and Purchase Agreement.

Under the Sale and Purchase Agreement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Sale Shares and the Option Shares at a total consideration of RMB560 million.

## **THE SALE AND PURCHASE AGREEMENT**

- Date : 26 November 2015 (after trading hours)
- Parties : (1) the Purchaser;
- (2) the Vendors;
- (3) the Guarantors; and
- (4) the Company (as guarantor of the Purchaser).

The Guarantors are the ultimate beneficial owner of the Vendors. To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Vendors, the Guarantors and their respective associates are Independent Third Parties.

### **Subject matter of the Acquisition**

Pursuant to the Sale and Purchase Agreement, the Purchaser has in aggregate conditionally agreed to acquire and the Vendor has conditionally agreed to sell a 35% equity interest in the Target Company, comprising (1) the Sale Shares and (2) the Option Shares.

The Sale Shares represent 10% and the Option Shares shall represent 25% of the issued share capital of the Target Company. As at the date of this announcement, the Target Company is wholly and beneficially owned by the Vendors.

Pursuant to the Sale and Purchase Agreement, each Guarantor has unconditionally and irrevocably guaranteed to the Purchaser and the Company has unconditionally and irrevocably guaranteed to the Vendor and the Guarantors that it shall (i) procure the Vendor or Purchaser of which it is the ultimate beneficial owner to duly and punctually perform its obligations and duties under the Sale and Purchase Agreement (as the case may be); and (ii) undertake to indemnify the Purchaser, Vendor or Guarantor fully for all liabilities, losses, damages, expenses and costs as a result of the Vendor or Purchaser which it is the ultimate beneficial owner of failing to perform or delay in performing its obligations under the Sale and Purchase Agreement (as the case may be).

## **Consideration**

The total Consideration of RMB560 million shall be settled upon completion of the relevant acquisition tranche as follows:

- i. in respect of the Sale Shares, RMB160 million in cash together with any taxation incurred by the acquisition of the Sale Shares (excluding any taxation arising, after completion of the Sale Shares acquisition, due to the Vendors or Guarantors (directly or indirectly) disposing of or distributing their respective assets); and
- ii. in respect of the Option Shares, RMB400 million to be settled, at the election of the Purchaser, in cash, by way of issue of Shares or a combination of both.

If payment by Shares are elected, then the amount of Shares to be issued will be approximately 258,215,000 Shares as if calculated with exchange rate at HK\$1.22/RMB. This is the sum of the call option price divided by HK\$1.89 per Share, representing a discount of 10% to HK\$2.10 (being the average closing price of the Shares as quoted on the Stock Exchange for the last five trading days up to and including the date of the Sale and Purchase Agreement).

Any Shares issued to settle the consideration for the Call Option may not, without the Purchaser's prior written consent, for a period of six months from Completion be transferred, disposed of, nor shall the Vendors 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 Shares or any interest in the relevant Shares or enter into any agreement or any transaction (including derivatives or deposit of Shares at any storage facility) that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the relevant Shares, or announce publicly an intent to enter into or effect any transaction with the same economic effect as any of the transactions referred to above.

As at the date of this announcement, the Company has agreed to place up to the remaining balance of the Company's existing general mandate through a placing agent. Please refer to the Company's announcement dated 11 November 2015 for further details. Accordingly, the issue and allotment of any Shares at Completion will be done pursuant to a specific mandate approved by the Shareholders at the EGM approving the Acquisition. Such Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue on the date of allotment and issue.

In the event the Group elects to issue Shares to the Vendors, the Company will comply with the requirements of all applicable GEM Listing Rules, including but not limited to obtaining a specific mandate to issue Shares by the Shareholders and the Company applying to and receiving the GEM Listing Committee's approval for the listing of, and permission to deal in, any such Shares on the Stock Exchange.

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors with reference to the financial position and business prospects of the Target Group.

#### **Conditions precedent to the 10% acquisition**

Completion of the Sale Shares acquisition is subject to the following conditions, among others, having been fulfilled or waived (as the case may be):

- (i) the Purchaser carrying out reasonable due diligence and being reasonably satisfied with the due diligence results in respect of, among others, the operations and the financial position of the Target Group and the legality and recognition of the Structured Contracts;
- (ii) the Vendors having obtained all necessary consents and approvals;
- (iii) the Purchaser and the Company having obtained all necessary consents and approvals;
- (iv) the PRC legal advisors designated by the Purchaser having issued a PRC legal opinion relating to the Sale and Purchase Agreement, the PRC members of the Target Group, and the structured contracts over the Target Group in the form and substance to the reasonable satisfaction of the Purchaser;
- (v) the representations, warranties and undertakings made by the Vendors in the Sale and Purchase Agreement remaining materially true and accurate, and not misleading;
- (vi) the Target Company having completed the Reorganisation;

- (vii) from the date of the Sale and Purchase Agreement,
  - (a) there are no PRC governmental actions or procedures restricting or prohibiting the transactions contemplated under the Sale and Purchase Agreement by PRC governmental authorities nor any new laws which may render the said transaction illegal;
  - (b) there has been no material adverse change to any member of the Target Group; and
- (viii) the Vendors and the Target Company entering into the 10% and the 35% shareholders' agreements with all the then Shareholders; and
- (ix) the Guarantors having completed any necessary registrations with PRC governmental authorities in relation to their guarantees under the Sale and Purchase Agreement and received the relevant consents and approvals (if such PRC governmental authorities have accepted their application); and
- (x) the existing shareholders of OPCO and a potential investor entering into a termination agreement in relation to an existing investment agreement between them.

The Purchaser may conditionally or unconditionally waive the conditions set out above by notice in writing to the Vendors, provided that the conditions set out in (ii), (iii) and (vii)(a) cannot be waived.

If any of the above conditions is not fulfilled or waived (as the case may be) within one month of the date of the Sale and Purchase Agreement or such other date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall terminate and neither party shall have any further obligations towards the other thereunder, save for antecedent breaches (if any).

### **Conditions precedent to the 25% acquisition**

Completion of the Option Shares acquisition is subject to the same conditions as for the Sale Shares acquisition (save for (iv), (vi) and (viii) to (x) above), together with the following additional conditions, among others, having been fulfilled or waived (as the case may be):

- (i) the Shareholders at an extraordinary general meeting of the Company approving the Acquisition and the issue of any Shares pursuant to the Sale and Purchase Agreement;

- (ii) the GEM Listing Committee approving the listing of, and granting permission to deal in, any Shares to be issued to the Vendors pursuant to the Sale and Purchase Agreement on the Stock Exchange;
- (iii) OPCO's registered capital being fully paid up;
- (iv) the Vendors, Guarantors and any other shareholders of the Target Group, together with their associates (if applicable), having settled all outstanding amounts between them; and
- (v) the completion of the initial acquisition of the Sale Shares.

As for the conditions precedent to the Sale Shares acquisition, the Purchaser may conditionally or unconditionally waive the same conditions by notice in writing to the Vendors, provided that the additional conditions set out in (i) to (iv), as well as the same conditions (insofar as they are applicable) as for the conditions precedent to the Sale Shares acquisition above, cannot be waived.

If any of the conditions to the Option Shares acquisition is not fulfilled or waived (as the case may be) within six months of the date of the Call Option exercise notice date or such other date as the parties to the Sale and Purchase Agreement may agree in writing, the Sale and Purchase Agreement shall terminate and neither party shall have any further obligations towards the other thereunder, save for antecedent breaches (if any), provided however that conditions (iii) and (iv) must be fulfilled or waived (as the case may be) within one month of completion of the Sale Shares acquisition.

#### **Completion of the 10% acquisition**

Completion shall take place within five (5) business days after all the conditions of the Sale and Purchase Agreement for the Sale Shares acquisition have been fulfilled or waived or such later date as may be agreed between the Vendors and the Purchaser in writing.

#### **Completion of the 25% acquisition**

Completion shall take place within five (5) business days after all the conditions of the Sale and Purchase Agreement for the Option Shares acquisition have been fulfilled or waived or such later date as may be agreed between the Vendors and the Purchaser in writing.



Upon Completion, the Company will be interested in 35% of the issued share capital of the Target Company and the Target Company will be accounted for as a subsidiary of the Company. If the conditions precedent to the acquisition of the Option Shares are not fulfilled or waived (as the case may be), the Purchaser may only complete the initial acquisition of the Sale Shares.

At Completion, the intention of the parties to the Sale and Purchase Agreement is to execute structured contracts to enable the financial results, the entire economic benefits and risks of the Target Group's business to flow to the Target Company and for the Target Company to enjoy control over the Target Group. The use of structured contracts is due to applicable PRC law, which stipulates the on-line payment services business of the Target Group will be subject to restrictions on foreign investment.

The Company will comply with applicable PRC law and regulations together with the requirements under the GEM Listing Rules in relation to such structured contracts, including HKEx-GL77-14, and will publish further details regarding the structured contracts in the circular to be despatched to Shareholders.

#### **Put Option and deed of undertaking, guarantee and indemnity**

In addition, if Completion takes place, the Company together with the Vendors and the Guarantors will at Completion enter into a deed of undertaking, guarantee and indemnity pursuant to which the Purchaser will, among other matters, conditionally grant the Put Option. The Put Option may be settled at the election of the Purchaser in cash, Shares or a combination of both, but subject to certain conditions, including but not limited to:

- i. the shareholding in the Target Company to be sold may not be less than 16% of the issued share capital of the Target Company at the relevant time, so that the Group will hold at least 51% of the issued share capital of the Target Company at the relevant time;
- ii. the sale price for each share shall be equal to the 2016 financial year's audited consolidated net profit after taxation of the Target Group (excluding extraordinary non-operating items) multiplied by 16 and divided by the total number of issued shares of the Target Company, save that the total price shall be limited to RMB5 billion; and
- iii. from 31 December 2016 until completion of the sale, as at the date of such completion, the Target Group's consolidated net assets and its consolidated net profit and turnover are not less than 10% of those stated in the Target Group's 2016 financial statements for the same day or corresponding period, provided that the Group has not (1) required the chairman of the Target Company's board to be changed or (2) changed in aggregate 30% or more of its senior management.



Any Shares issued to settle the consideration for the Put Option may not, without the Purchaser's prior written consent, for a period of six months from its completion be transferred, disposed of, nor shall the Vendors 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 Shares or any interest in the relevant Shares or enter into any agreement or any transaction (including derivatives or deposit of Shares at any storage facility) that transfers, in whole or in part, directly or indirectly, the economic consequences of ownership of the relevant Shares, or announce publicly an intent to enter into or effect any transaction with the same economic effect as any of the transactions referred to above. In the event the Purchaser elects to issue Shares to the Vendors as described above, the Company will comply with the requirements of all applicable GEM Listing Rules, applying to and receiving the GEM Listing Committee's approval for the listing of, and permission to deal in, any such Shares on the Stock Exchange.

Further, pursuant to the same deed of undertaking, guarantee and indemnity, if the Target Group applies for an initial public offering or otherwise lists its equity on a recognised stock exchange and the regulator of such exchange or other relevant authority require that the structured contracts be unwound and further that all of the shareholders of the Target Group are Chinese or Chinese entities, then the parties to the deed agree to undertake such reorganisation steps as are necessary to meet such requirement.

#### **Shareholders agreement for the 10% shareholding**

At completion of the Sale Shares acquisition, the Vendors, the Purchaser and the Target Company will enter into (1) a 10% shareholders agreement and (2) a 35% shareholders agreement. Upon Completion, the 35% shareholders agreement shall become effective and the 10% shareholders agreement shall automatically terminate and be without further effect.

Pursuant to the terms of the 10% shareholders agreement, significant matters concerning the Target Group require the Purchaser's written consent, such as a change in the business of the Target Group; the issue of or changes to the composition or terms of any equity interest of any member of the Target Group; payment or acceptance of shareholders' loans; and any winding-up or liquidation.

None of the parties to the 10% shareholding agreement may transfer their shareholding in the Target Company to a third party, unless the third party has first entered into a deed of adherence or otherwise enters into a shareholders agreement with the non-transferring parties to the 10% shareholders agreement.

If the articles of association of the Target Company contain any terms which are inconsistent with the terms of the shareholders agreement, the 10% shareholders agreement shall prevail.

## **Shareholders agreement for the 35% shareholding**

Pursuant to the terms of the 35% shareholders agreement, the Target Company shall have a board of not more than five directors. The Purchaser may appoint three directors (including the chairman of the board) and the Vendors may appoint two directors. Any two directors shall form a quorum for a board meeting, at least one of which shall be a director appointed by the Vendors and one shall be a director appointed by the Purchaser. A resolution of the board of directors may be passed by a simple majority.

Significant matters concerning the Target Group require that a shareholders meeting be held, at which the shareholders other than the Purchaser shall follow its instructions in voting on the same. Such significant matters include but are not limited to a change in the business of the Target Group, the issue of or changes to the composition or terms of any equity interest of any member of the Target Group, payment or acceptance of shareholders' loans, amendment to any member of the Target Group's constitutional documents, approval of any annual business plan or an investment in excess of RMB3 million, mergers or acquisitions in excess of RMB3 million, appointment of senior management, and any winding-up or liquidation.

None of the parties to the 35% shareholders agreement may transfer their shareholding in the Target Company to a third party, unless the third party has first entered into a deed of adherence or otherwise enters into a shareholders agreement with the non-transferring parties to the 35% shareholders agreement.

If the articles of association of the Target Company contain any terms which are inconsistent with the terms of the 35% shareholders agreement, the 35% shareholders agreement shall prevail.

## **PROFIT GUARANTEE**

Pursuant to the Sale and Purchase Agreement, subject to Completion having taken place, each of the Vendors and Guarantors has irrevocably covenanted and guaranteed (the "**Profit Guarantee**") to the Purchaser that the audited consolidated net profit after taxation of the Target Group (excluding extraordinary non-operating items), based on the financial statements prepared in accordance with Hong Kong Financial Reporting Standards and to be audited by the auditor of the Company (1) for the year 2015 shall not be less than RMB100 million and (2) for the year 2016 shall not be less than RMB150 million (the "**Guaranteed Profit**"). "**Actual Net Profit**" shall be the audited consolidated net profit after taxation of the Target Group (excluding extraordinary non-operating items as well as one-off income and the Purchaser or the Company's costs and expenses), as shown in the consolidated financial statements prepared in accordance with Hong Kong Financial Reporting Standards for the financial year ending 31 December 2015 or 31 December 2016 (as the case may be) and in the certificate for the actual consolidated net profit issued by the auditor of the Company for the relevant financial year.

In the event the Actual Net Profit is less than the Guaranteed Profit in respect of either year, the Vendors shall jointly and severally compensate the Purchaser in cash within 15 business days of the relevant certificate's issue for an amount calculated by reference to the following formula:

- i. 2015 compensation amount = (2015 Guaranteed Profit – 2015 Actual Net Profit) x 16 x the percentage of the Purchaser's actual interest in the Target Company,
- ii. 2016 compensation amount = (2016 Guaranteed Profit – 2016 Actual Net Profit) x 10.7 x the percentage of the Purchaser's actual interest in the Target Company; and
- iii. the total compensation = 2015 compensation amount + 2016 compensation amount (but the total compensation amount shall be limited to the aggregate amount of the consideration paid for the Sale Shares and the Option Shares).

The Sale and Purchase Agreement further provides that, for the avoidance of doubt,

- i. if there is a loss for the Target Group for the year 2015 or for 2016, the Actual Net Profit in respect of that year shall be treated as zero;
- ii. the Vendors and the Guarantors will not be deemed to have breached their obligations under the Profit Guarantee where the net profit did not reach the Guaranteed Profit amount due to:
  - (a) the Purchaser or the Company requiring any member of the Target Group to implement an employee share plan which requires expenses to be incurred; and
  - (b) the Purchaser of the Company requiring the Target Group to adjust its development strategy.

The amount of the Guaranteed Profit was arrived at after arm's length negotiation between the Purchaser and the Vendor with reference to the business prospects and business development of the Target Group.

## **INFORMATION ON THE GROUP**

The principal activities of the Group are the provision of internet financing services including peer-to-peer (“P2P”) loan service platform business, online third party payment business and related activities on loan portfolio management, and also the provision of traditional financing services and related financial consultancy services including entrusted loans, real estate-backed loans, pawn loans, micro-loans and other loans for small and medium-sized enterprises and individuals in the PRC and Hong Kong.

## **INFORMATION ON THE TARGET GROUP, THE VENDORS AND THE GUARANTORS**

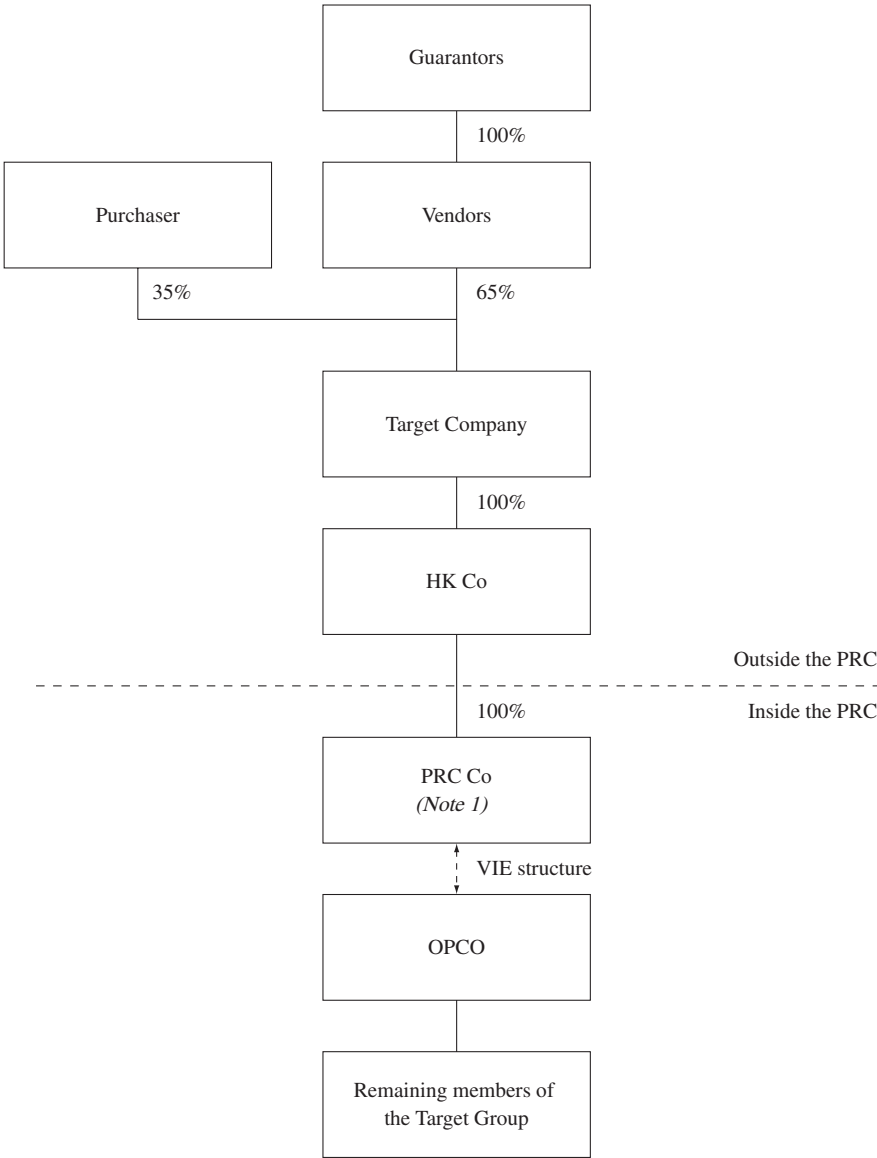
With the development of mobile internet and the popularity of intelligence terminals, the small and micro business owners financing and settlement ecosystem is developing rapidly in China. The popularity of intelligence terminals and mobile application has driven the size of China's internet finance industry to grow tremendously. Intelligence terminals and mobile application have gradually become an important gateway for internet financial services, and been generating massive amount of data with great value. In the mean time, the rigid demand from small and micro business owners for financial services and the characteristics of its highly frequent use have driven the development of financial services for small, medium and micro business owners and individual customers.

Established in 2012, the Target Group provides a series of secured and innovative data services in relation to small and micro business owners and financial services for its customers nationwide through its virtual e-commerce platforms mobile application (Fudian (福店) · Dianxiaoyi (店小一), Circle E-commerce Platform (圈子電商平台)). Against the backdrop of the continuous development of small and micro-sized economies, it has an integrated self-developed system platforms that support a variety of products and multi-modules, through its brand names of "Circle E-commerce (圈子電商)", Kaidianbao (開店寶), Dianxiaoyi (店小一), Quanxingtong (全信通) and "JEPAL (即付寶)". It has sold a total of 4.5 million sets of personal self-initiated payment processing terminals, which provide smart payment hardware, information system services, on-site services, other self-initiated valued-added payment services, transactional data services and other financial services. The terminal serve tens of millions of customers, and approximately 1.7 million small and micro business owners who are registered to the mobile application and 47,000 small and micro-sized entities. The company is a hi-tech enterprise in Shanghai which currently holds a variety of licences including telecommunication value-added business licence, business factoring licence, wealth management licence, and prepaid card licence, and access to China UnionPay's multi-channel system and holds an independent multi-channel access code. At the same time, the company is applying licences for bank card payment, mobile payment, internet payment, enterprise credit checking and personal credit checking.

In addition, the Target Group provides a secured and convenient application environment for small and micro business owners and their commercial activities. Both its end-products and technical system platform have obtained security certification, passed the testing requirements of the China Banking Card Testing Center and the certification requirements of China Financial Certification Authority. They have reached a system standard with high security, high reliability, high stability and high performance. The company has self-developed its core technology, risk control system and data processing system, which have given the company a leading position among its industry peers. It has a team of highly capable professionals with strong adaptability and innovative abilities.

For the first 10 months of 2015, the total size of data services and financial services processed through the Target Group’s system platforms and on-site services for small and micro-sized sellers had reached approximately RMB290.1 billion and about 108.85 million transactions were handled, which is over 4 times the annual total transaction size and number of transactions for 2014. The number of average monthly users continued to grow, the accumulated registered small and micro-sized sellers with certifications is 1.7 million, and the total number of small and micro-sized sellers for the month of October in 2015 had reached over 530,000, which represents 2.6 times of that in the beginning of 2015 and over 10 times than in the beginning of 2014. The sharp growth in transaction size has also been reflected in the operating results of the company. The revenue of Target Group for the first 10 months of 2015 was approximately RMB380 million, representing an increase of over 2.9 times of its annual revenue in 2014, and its net profit for the first 10 months of 2015 increased over 465% as compared to 2014.

**Overview diagram of the Target Group as at Completion**



Note (1): In process of establishment.

## FINANCIAL INFORMATION OF THE TARGET GROUP

The Target Company is a recently incorporated company without assets or liabilities, save for its shareholding in the HK Co. The HK Co is a recently incorporated company without assets or liabilities. The PRC Co is not yet established. In addition, Shanghai Jifu Hulian, Shanghai Qixin, Shanghai Qixin Qiye, Qixin Caifu and Shanghai Qiyi are recently incorporated companies without assets or liabilities. In respect of each other company comprising the Target Group, set out below is the financial information available for each as extracted from the audited accounts issued by a certified public accounting firm in the PRC and provided by the Vendors:

### OPCO

	<b>For the year ended 31 December 2014<sup>^</sup> (RMB'000)</b>	<b>For the year ended 31 December 2013<sup>^</sup> (RMB'000)</b>
Turnover	113,686	16,128
Net profit/(loss) before taxation	6,535	(1,928)
Net profit/(loss) after taxation	2,983	(1,818)
Net assets	9,592	6,164

### Gansu Jiafuyi (interest attributable to OPCO as of Completion: 96%)

	<b>For the year ended 31 December 2014<sup>^</sup> (RMB'000)</b>	<b>For the year ended 31 December 2013<sup>^</sup> (RMB'000)</b>
Turnover	–	–
Net loss before taxation	(422)	(52)
Net loss after taxation	(422)	(52)
Net Assets	99,526	948

**Qixin (Shanghai) (interest attributable to OPCO as of Completion: 100%)**

	<b>For the year ended 31 December 2014 (RMB'000)</b>	<b>For the year ended 31 December 2013 (RMB'000)</b>
Turnover	–	–
Net loss before taxation	(87)	(394)
Net loss after taxation	(87)	(394)
Net Assets	4	91

**Zhejiang Jifu (interest attributable to OPCO as of Completion: 70%)**

	<b>For the year ended 31 December 2014 (RMB'000)</b>	<b>For the year ended 31 December 2013<sup>^</sup> (RMB'000)</b>
Turnover	1,917	–
Net profit before taxation	4,294	–
Net profit after taxation	3,221	–
Net Assets	13,221	–

**Shandong Junjia (interest attributable to OPCO as of Completion: 100%)**

	<b>For the year ended 31 December 2014<sup>^</sup> (RMB'000)</b>	<b>For the year ended 31 December 2013<sup>^</sup> (RMB'000)</b>
Turnover	17,190	4,213
Net profit before taxation	8,822	2,963
Net profit after taxation	6,597	2,220
Net Assets	23,816	17,220



**Shanghai Shangou (interest attributable to OPCO as of Completion: 100%)**

	<b>For the year ended 31 December 2014 (RMB'000)</b>	<b>For the year ended 31 December 2013<sup>^</sup> (RMB'000)</b>
Turnover	–	–
Net loss before taxation	(312)	–
Net loss after taxation	(312)	–
Net Assets	938	–

**Shenzhen Qianhai (interest attributable to OPCO as of Completion: 100%)**

	<b>For the year ended 31 December 2014<sup>^</sup> (RMB'000)</b>	<b>For the year ended 31 December 2013 (RMB'000)</b>
Turnover	388	–
Net profit before taxation	517	34
Net profit after taxation	403	34
Net Assets	100,370	99,966

<sup>^</sup> *not incorporated during relevant period*

*Note:* all minority interests in the Target Group are not a connect person of the Company.

**REASONS FOR AND BENEFITS OF THE ACQUISITION**

As stated in the Company annual report for the year ended 31 December 2012, the Company will explore acquisition and partnership opportunities to achieve revenue growth. The Directors consider that it is beneficial for the Group to seek suitable investment opportunities from time to time to diversify its existing business portfolio and to broaden its source of income. To this end, the Company has identified the Target Group as an appropriate acquisition target to the Group and is of the view that the Acquisition would allow the Group to diversify into a new line of business with significant growth potential.

The Directors believe that the business direction of Target Group, being to serve the data services of small, medium and micro-sized sellers, conforms to and complements the Group's development strategy of serving the financing needs of small, medium and micro-sized enterprises via the internet lending platform model. The large number of small and micro-sized merchants and the massive volume of trading data resources accumulated by Target Group in the course of its business activities will effectively help the Group to design credit products that meet the needs of small and micro-sized businesses in expanding the potential customers of the Group. Apart from this, the industry-leading payment system software and hardware solutions, financial innovation ability and risk control ability of Target Group will also allow the Group to better serve the demands of its existing customers. Finally, the Acquisition provides a good opportunity for the Group to diversify its development and enhance its revenue sources. The Directors also believe that the terms of the Sale and Purchase Agreement are entered into by the Group during the ordinary course of business, are fair and reasonable, on normal or better commercial terms and are in the interests of the Company and its shareholders as a whole.

### **IMPLICATION UNDER THE GEM LISTING RULES**

On exercise of the Call Option, the aggregate size of the Acquisition and the Put Option (as if exercised as at the date of this announcement) under the highest applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Acquisition is greater than 25% but less than 100%. Therefore, the Acquisition constitutes a major transaction for the Company under Chapter 19 of the GEM Listing Rules and is subject to the reporting, announcement and Shareholders' approval requirements.

A circular containing, among other things, further details of the Acquisition and a notice of EGM will be despatched to the Shareholders on or before 17 December 2015.

The Target Group's principal business is financial and data services for small and micro-sized merchants in the PRC. At Completion, the intention of the parties to the Sale and Purchase Agreement is to enter into structured contracts to enable the financial results, the entire economic benefits and risks of the Target Group's business to flow to the Target Company and for the Target Company to enjoy control over the Target Group. The use of structured contracts is due to applicable PRC law, which stipulates the partial services business of the Target Group will be subject to restrictions on foreign investment.

The Company will comply with applicable PRC laws and regulations together with the requirements under the GEM Listing Rules in relation to the structured contracts to be entered into at Completion, including HKEx-GL77-14, and will publish further details regarding the structured contracts in the circular to be despatched to Shareholders.

## 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 Sale and Purchase Agreement and the Acquisition may or may not proceed at all, or only the acquisition of the Sale Shares may proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

## DEFINITIONS

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

“Acquisition”	collectively, the proposed acquisition of (i) a 10% equity interest and (ii) a further 25% equity interest in the Target Company through the purchase of (i) the Sale Shares and (ii) the Option Shares by the Purchaser as contemplated under the Sale and Purchase Agreement
“associate”, “percentage ratio(s)”, “connected person”, “subsidiary”, “substantial shareholder”	each has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“business day(s)”	a day, other than a Saturday and a day on which a tropical cyclone warning no. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m., on which licensed banks in Hong Kong and the PRC are open for general banking business throughout their normal business hours
“Call Option”	the right granted by the Vendors to the Purchaser to acquire the Option Shares under the Sale and Purchase Agreement
“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 (Stock Code: 8207)

“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Sale and Purchase Agreement
“Consideration”	the consideration for the Acquisition, being RMB560 million
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of approving the Acquisition and the specific mandate for the issue and allotment of any Shares at Completion
“Gansu Jiafuyi”	甘肅家付易電子科技有限公司 (Gansu Jiafuyi Dianzi Keji Co., Ltd.*) a company established in the PRC
“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
“Group”	the Company and its subsidiaries
“Guarantors”	Mr. Huang and Ms. Wang
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HK Co”	Excel Trend Holdings Limited ( 俊佳集團有限公司 ), a company incorporated in Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	Third party(ies) independent of and not connected with the Company and any of its connected persons
“Mr. Huang”	黃喜勝先生 (Mr. Huang Xisheng*) an Independent Third Party and the ultimate beneficial owner of Bonus Partners Worldwide Limited ( 合盈環球有限公司 )

“Ms. Wang”	王雁銘女士 (Ms. Wang Yanming*) an Independent Third Party and the ultimate beneficial owner of Essential Perfection Enterprises Limited (德美企業有限公司)
“OPCO”	上海即富信息技術服務有限公司 (Shanghai Jifu Xinxi Jishu Fuwu Co., Ltd.*) a company established in the PRC
“Option Shares”	such amount of ordinary shares of the Target Company as represent 25% of the total issued share capital of the Target Company as at the date of the exercise notice for the Call Option
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“PRC Co”	a company to be established in the PRC and wholly owned by HK Co
“Purchaser”	Wise Park Group Limited (威博集團有限公司), a wholly owned subsidiary of the Company
“Put Option”	the right of the Vendors to sell all or part of their shareholding in the Target Company, exercisable from the period 1 January 2017 to 30 June 2017
“Qixin (Shanghai)”	奇鑫(上海)金融信息服務有限公司 (Qixin (Shanghai) Jinrong Xinxi Fuwu Co., Ltd.*) a company established in the PRC
“Qixin Caifu”	奇鑫財富管理有限公司 (Qixin Caifu Guanli Co., Ltd.*) a company established in the PRC and as at Completion a 100% subsidiary of OPCO
“Reorganisation”	being the completion of <ul style="list-style-type: none"> <li>(1) HK Co acquiring or incorporating the PRC Co so that it is wholly owned by it; and</li> <li>(2) the entry into structured contracts concerning the Target Group’s business</li> </ul>

“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 25 November 2015 entered into among the Purchaser, the Vendors, the Guarantors and the Company in relation to the Acquisition
“Sale Shares”	the existing 1,000 ordinary shares of the Target Company, representing approximately 10% of the issued share capital of the Target Company as at the date of the Agreement
“Shandong Junjia”	山東浚嘉移通信息技術有限公司 (Shandong Junjia Yidong Xinxi Technology Co., Ltd.*) a company established in the PRC
“Shanghai Jifu Hulian”	上海即富互聯網金融信息服務有限公司 (Shanghai Jifuhulianwang Jinrong Xinxi Fuwu Co., Ltd.*) a company established in the PRC and as at Completion a 100% subsidiary of OPCO
“Shanghai Qixin”	上海奇鑫商業保理有限公司 (Shanghai Qixin Shangye Baoli Co., Ltd.*) a company established in the PRC and as at Completion a 100% subsidiary of OPCO
“Shanghai Qixin Qiye”	上海奇鑫企業信用徵信有限公司 (Shanghai Qixin Qiye Xinyong Zhengxin Co., Ltd.*) a company established in the PRC and as at Completion a 100% subsidiary of OPCO
“Shanghai Qiyi”	上海奇熠互聯網金融信息服務有限公司 (Shanghai Qiyi Hulianwang Jinrong Xinxi Fuwu Co., Ltd.*) a company established in the PRC and as at Completion 51% owned by OPCO
“Shanghai Shangou”	上海閃購信息技術有限公司 (Shanghai Shangou Xinxi Jishu Co., Ltd.*) a company established in the PRC

“Share(s)”	Ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shenzhen Qianhai”	深圳市前海即富信息技術金融服務有限公司 (Shenzhenshi Qianhai Jifu Xinxu Keji Jinrong Fuwu Co., Ltd.*) a company established in the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Genesis Business Holdings Limited (創峰控股有限公司), a company incorporated in the British Virgin Islands
“Target Group”	together with the Target Company, OPCO, Gansu Jiafuyi, Qixin (Shanghai), Zhejiang Jifu, Shanghai Jifu Hulian, Shandong Junjia, Shanghai Shangou, Shenzhen Qianhai, Shanghai Qixin, Shanghai Qixin Qiye, Qixin Caifu and Shanghai Qiyi
“Vendors”	Bonus Partners Worldwide Limited (合盈環球有限公司) and Essential Perfection Enterprises Limited (德美企業有限公司), being the beneficial owners of the entire issued share capital of the Target Company and Independent Third Parties
“%”	per cent.

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

Hong Kong, 26 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](http://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](http://www.creditchina.hk)).*

\* *For identification purposes only*

# *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.*