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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**  
**PURCHASE OF SERIES A PREFERRED SHARES IN**  
**BITFURY GROUP LIMITED**  
**INVOLVING ISSUE OF CONSIDERATION SHARES UNDER THE**  
**GENERAL MANDATE**

On 3 May 2016, the Company, entered into the Share Purchase Agreement with BitFury Group to subscribe for 205,917 Series A Preferred Shares in BitFury Group for a total consideration of US\$30,000,047.73, about one-third of which to be satisfied by way of cash and the remaining to be satisfied by issuance of the Consideration Shares by the Company. The Consideration Shares will be issued under the General Mandate and will rank *pari passu* in all respects with each other and with the other Shares then in issue. Upon the Closing, the Series A Preferred Shares will represent approximately 6.38% of the entire share capital in BitFury Group and approximately 1% of the voting rights in a general meeting of BitFury Group (on a fully converted and diluted basis) and have the same voting rights as Class B ordinary shares of BitFury Group.

As one or more of the applicable percentage ratios calculated under Rule 19.07 of the Listing Rules in respect of the transactions contemplated under the Share Purchase Agreement exceeds 5%, and all the applicable percentage ratios are less than 25%, the entering into of the Share Purchase Agreement constitutes a discloseable transaction of the Company.

Application for listing of the Consideration Shares will be made to the Stock Exchange and the Consideration Shares are expected to be issued and listed on the Closing Date.

## THE SHARE PURCHASE

On 3 May 2016, the Company, entered into the Share Purchase Agreement with BitFury Group to subscribe for 205,917 Series A Preferred Shares in BitFury Group for a total consideration of US\$30,000,047.73, about one-third of which to be satisfied by way of cash and the remaining to be satisfied by issuance of Consideration Shares by the Company.

In connection with the Share Purchase, the Company will also enter into the Investors' Rights Agreement which further provides the Company with certain rights as a holder of the Series A Preferred Shares purchased.

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

## THE CONSIDERATION

The Consideration, with its cash portion to be funded by the Company's available cash, was determined after arm's length negotiations between the Company and BitFury Group with reference to the historical performance and current financial position of BitFury Group, the valuation of comparable companies in the industry, the business model and the future prospects of BitFury Group and the reasons for and benefits of the transactions as contemplated in the Share Purchase Agreement.

The Consideration comprises:

- (a) an amount of US\$10,000,015.91 (approximately HK\$78.00 million) to be paid in cash on the Closing Date; and
- (b) US\$20,000,031.82 (approximately HK\$156.00 million) to be paid by issuing a total of 49,758,898 Consideration Shares (calculated in accordance with the following formula:  $\text{US\$20,000,031.82} \times 7.7574 / \text{average closing price of the Shares as quoted on the Stock Exchange in the five trading days immediately prior to the date of the Share Purchase Agreement}$ ) to BitFury Group's designated shareholders which to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, are third parties independent of the Company and its connected persons.

The Consideration Shares will be issued under the General Mandate and will rank *pari passu* in all respects with each other and with the other Shares then in issue.

The maximum number of Shares that can be issued under the General Mandate is 775,042,000 Shares. As at the date of this announcement, the General Mandate has not been utilized for the issue of 51,150,640 Shares as disclosed in the announcements dated 1 February 2016 and 21 April 2016.

Upon the Closing, the Series A Preferred Shares will represent approximately 6.38% of the entire share capital in BitFury Group and approximately 1% of the voting rights in a general meeting of BitFury Group (on a fully converted and diluted basis) and have the same voting rights as Class B ordinary shares of BitFury Group. For further details of the capital structure of BitFury Group, please refer to the section headed “Information of BitFury Group” below.

The Consideration shall be settled on the Closing Date.

## **CONDITIONS PRECEDENT**

Closing of the Share Purchase Agreement is subject to the fulfillment and/or waiver of certain conditions precedent, including:

- (1) the Company having completed its legal and financial due diligence reviews over BitFury Group and being reasonably satisfied with the findings of such due diligence reviews;
- (2) each of the relevant warranties of BitFury Group being true and accurate in all material respects as of the Closing with the same force and effect as if they had been made on and as of such date;
- (3) there being no applicable law or order which prohibits, restricts or imposes conditions or limitations on the consummation of any of the transactions contemplated in the transaction agreements in connection with the Share Purchase;
- (4) there being no bona fide legal proceedings in effect as of the Closing before any court of a competent jurisdiction which seek to prohibit, restrict, impose condition or limitation on or otherwise challenge any of the transactions contemplated in the transaction agreements in connection with the Share Purchase;
- (5) there having been no material adverse effect since the date of the Share Purchase Agreement;
- (6) BitFury Group having performed and complied in all material respects with all covenants, agreements, obligations and conditions contained in the transaction agreements in connection with the Share Purchase that are required to be performed or complied with by BitFury Group on or before the Closing;

- (7) BitFury Group having appointed a person nominated by the Company (who shall be reasonable acceptable to BitFury Group) as a director of BitFury Group effective on or before the Closing;
- (8) the Company having received a certificate executed and delivered by a director of the Company certifying that the conditions specified in (2) to (6) above, inclusive, have been fulfilled;
- (9) each of the warranties of the Company being true and accurate in all material respects as given as of the Closing with the same force and effect as if they have been made on and as of such date;
- (10) listing of and permission to deal in the Consideration Shares having been granted by the Listing Committee of the Stock Exchange (and such listing and permission not subsequently being revoked or withdrawn prior to the Closing);
- (11) the Company retaining its listed company status on the Stock Exchange, with trading in its shares on the Stock Exchange not having been suspended or halted as of the Closing; and
- (12) the average closing price of the Shares as quoted on the Stock Exchange in the five trading days immediately prior to the Closing Date not being less than 80% of the average closing price of the Shares as quoted on the Stock Exchange in the five trading days immediately prior to the date of the Share Purchase Agreement.

## **Closing**

Closing of the Share Purchase Agreement shall take place on the Closing Date.

## **PRINCIPAL TERMS OF SERIES A PREFERRED SHARES**

According to the articles of association of BitFury Group and the Investors' Rights Agreement, the holders of Series A Preferred Shares shall be entitled to the following rights.

### **Conversion rights**

Each Series A Preferred Share shall be convertible into one Class B ordinary share in BitFury Group. The conversion rate is subject to customary adjustment events such as share dividends, subdivisions and combinations. Series A Preferred Shares are automatically converted into Class B ordinary shares at the conversion rate then in effect immediately upon the earlier of (i) BitFury Group's sale of its Class B ordinary shares in a firm commitment underwritten public offering or (ii) the written consent of the holders of at least a majority of the then outstanding preferred shares (which include Series A Preferred Shares).

## **Voting rights**

As of the date of the Share Purchase Agreement, there are three classes of shares in BitFury Group, namely Class A ordinary shares, Class B ordinary shares and preferred shares. Each holder of Class A ordinary shares who is present in person, by its duly authorised representative or by proxy, shall have ten votes and on a poll shall have ten votes for every Class A ordinary share he holds. On the other hand, each holder of Class B ordinary shares or preferred shares (including Series A Preferred Shares to be issued to the Company) who is present in person, by its duly authorised representative or by proxy, shall have one vote and on a poll shall have one vote for every Class B ordinary share or preferred share (as the case may be) he holds.

## **Distribution right**

The ordinary shares and preferred shares in Bitfury Group shall rank equally in relation to all distributions (except in the case of liquidation).

## **Liquidation preference**

In the event of any liquidation event, the holders of preferred shares (including Series A Preferred Shares) shall be entitled to receive, prior and in preference to any distribution of the proceeds of such liquidation event available for distribution to the holders of ordinary shares, an amount per share equal to the original issue price (as specified in resolutions or written consent of the directors of BitFury Group at the time of the initial issuance of such class or series (subject to adjustments)). In the event that there are insufficient proceeds to be distributed among the holders of the preferred shares, the proceeds will be distributed ratably among the holders in proportion to the full preferential amount that each such other holder is otherwise entitled to receive under the articles of association of BitFury Group.

## **Compulsory redemption**

If at any time the total number of issued preferred shares (including Series A Preferred Shares) in issue is less than 10,000 shares, the directors of BitFury Group may at any time compulsorily redeem all or any of the preferred shares by giving at least 10 days prior written notice to such holder(s). The price paid for each preferred share so compulsorily redeemed shall be either (i) the value of the conversion price that would have been payable had the preferred shares been converted into Class B ordinary shares at the time of such redemption or (ii) if such price is not available, such price as the directors of BitFury Group may in good faith determine.

### **Board nomination right**

So long as the Company holds at least 150,000 Series A Preferred Shares or the ordinary shares issuable or issued upon conversion of the Series A Preferred Shares, the Company shall be entitled to, and BitFury Group shall procure to, appoint one director of the board of BitFury Group who shall be reasonably acceptable to BitFury Group.

### **“Most Favored Nation” right**

Where BitFury Group issues shares of a new class of preferred shares in its next equity financing that have rights, preferences or privileges that are more favorable than the terms of the Series A Preferred Shares to be issued to the Company, the Company may request BitFury Group to (i) cancel and extinguish and convert the Series A Preferred Shares into such new class of preferred shares or (ii) provide substantially equivalent rights to the Company through other arrangements.

### **ESTABLISHMENT OF JOINT VENTURE**

Pursuant to the Share Purchase Agreement, the Company and BitFury Group undertake to use their respective reasonable commercial efforts to, as soon as reasonably practicable after the Closing (in any event no later than 6 months after the Closing), form a joint venture in China upon terms mutually agreed upon between the Company and BitFury Group, with purposes of developing a platform for undertaking blockchain technology related activities in China. BitFury Group will also provide any intellectual property to the joint venture necessary for it to operate its (i) markets for loan origination and facilitation on blockchain platforms, (ii) estimation of credit decisioning and scoring models, (iii) systems for instant settlement and clearance of transactions, business operating cost reduction, digital asset registration and record-keeping, (iv) domestic and international remittance platforms, (v) mobile gaming and loyalty points platforms, and (vi) more diversified investor portfolio.

### **INFORMATION OF THE GROUP**

The Group is principally engaged in provision of traditional financial services and related financing consultancy services including entrusted loan service, real estate-backed loan service, pawn loan service, other loan service, microfinance service and internet financing service.

## INFORMATION OF BITFURY GROUP

BitFury Group is a technology company and currently exclusively focuses on the blockchain industry. In particular, BitFury Group provides computing data-mining processing activities to the Bitcoin blockchain network. In addition, BitFury Group provides software solutions for the blockchain industry.

The profits before and after taxation and extraordinary items of BitFury Group for the year ended 31 March 2015 based on its consolidated audited accounts were approximately US\$2,111,000 (HK\$16.47 million) and US\$1,473,000 (HK\$11.49 million), respectively. The corresponding figures for the year ended 31 March 2014 were approximately US\$1,744,000 (HK\$13.60 million) and US\$1,150,000 (HK\$8.97 million), respectively. The net assets of BitFury Group as at 31 March 2015 was approximately US\$24,289,000 (HK\$189.45 million), based on its audited accounts. The financial information of BitFury Group was prepared in accordance with the International Financial Reporting Standards (“IFRS”).

The financial results of BitFury Group will not be consolidated in the accounts of the Group after the Closing.

### Capital structure of BitFury Group

The capital structure of BitFury Group is as follows:

| <b>Categories of issued shares</b>                            | <b>As of the date<br/>of the Share<br/>Purchase<br/>Agreement</b> |
|---------------------------------------------------------------|-------------------------------------------------------------------|
| Class A ordinary shares (with ten votes per share on a poll)  | 2,000,000                                                         |
| Class B ordinary shares (with one vote per share on a poll)   | 663,255                                                           |
| Other preferred shares (with one vote per share on a poll)    | 17,525                                                            |
| Series A Preferred Shares (with one vote per share on a poll) | —                                                                 |

*Note:* For details of the voting rights of different categories of shares in BitFury Group, please refer to the section headed “Principal Terms of Series A Preferred Shares – Voting rights” above. Series A Preferred Shares are part of the preferred shares.



Upon the Closing, the total voting rights in BitFury Group will remain unchanged. BitFury Group will repurchase such number of ordinary shares (from certain shareholders which to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, are independent of the Company and its connected persons) with voting rights equal to those of the Series A Preferred Shares to be issued to the Company pursuant to the Share Purchase. The allocation of Class A and Class B ordinary shares to be repurchased will be determined before the Closing.

## **REASONS FOR AND BENEFITS OF THE SHARE PURCHASE**

Blockchain is the latest popular encryption technology for the transfer of digital assets among consumers, businesses, banks and financial institutions. BitFury Group is the world's leading private Bitcoin blockchain infrastructure provider and transaction processing company, which provides a full-service chain of hardware and software products. BitFury Group's management team and board of directors comprise industry veterans with extensive experience in hardware and software engineering, as well as in project management and capitalization of businesses. The Board believes the investment and the potential joint venture in China will assist the Company in maximizing online security for its third-party payment and lending platforms.

After careful consideration of the factors listed above, the Board considers that the Share Purchase Agreement has been entered into on normal commercial terms and that the terms are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated under Rule 19.07 of the Listing Rules in respect of the transactions contemplated under the Share Purchase Agreement exceeds 5%, and all the applicable percentage ratios are less than 25%, the entering into of the Share Purchase Agreement constitutes a discloseable transaction of the Company.

Application for listing of the Consideration Shares will be made to the Stock Exchange and the Consideration Shares are expected to be issued and listed on the Closing Date.

## **DEFINITIONS**

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

|                 |                                                                                                                           |
|-----------------|---------------------------------------------------------------------------------------------------------------------------|
| “BitFury Group” | BitFury Group Limited, a company incorporated in the Cayman Islands with limited liability and an independent third party |
|-----------------|---------------------------------------------------------------------------------------------------------------------------|



|                               |                                                                                                                                                                                          |
|-------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Board”                       | the board of Directors                                                                                                                                                                   |
| “Closing”                     | the closing of the Share Purchase as contemplated in the Share Purchase Agreement                                                                                                        |
| “Closing Date”                | on or before 3 June 2016                                                                                                                                                                 |
| “Company”                     | Credit China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Growth Enterprise Market of the Stock Exchange |
| “connected person”            | has the same meaning as defined in the Listing Rules                                                                                                                                     |
| “Consideration”               | an aggregate sum up to US\$30,000,047.73 (approximately HK\$234.00 million)                                                                                                              |
| “Consideration Shares”        | the Shares to be issued by the Company pursuant to the Share Purchase Agreement as part of the Consideration                                                                             |
| “Directors”                   | the directors of the Company                                                                                                                                                             |
| “General Mandate”             | the general mandate for the Directors to allot and issue Shares as authorised by the Shareholders at the extraordinary general meeting of the Company held on 26 January 2016            |
| “Group”                       | the Company and its subsidiaries from time to time                                                                                                                                       |
| “HK\$”                        | Hong Kong dollars, the lawful currency of Hong Kong                                                                                                                                      |
| “Investors’ Rights Agreement” | the investors’ rights agreement expected to be entered into among certain shareholders of BitFury Group on the Closing Date                                                              |
| “Listing Rules”               | the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange                                                                                      |
| “Series A Preferred Shares”   | Series A Preferred Shares in BitFury Group                                                                                                                                               |
| “Share(s)”                    | share(s) of the Company                                                                                                                                                                  |
| “Share Purchase”              | the subscription of the Series A Preferred Shares by the Company as contemplated in the Share Purchase Agreement                                                                         |

|                            |                                                                                                                          |
|----------------------------|--------------------------------------------------------------------------------------------------------------------------|
| “Share Purchase Agreement” | the Series A Preferred Shares Purchase Agreement dated 3 May 2016 and entered into between the Company and BitFury Group |
| “Stock Exchange”           | The Stock Exchange of Hong Kong Limited                                                                                  |
| “US\$”                     | United States dollars, the lawful currency of the United States                                                          |
| “%”                        | per cent                                                                                                                 |

*For illustration purposes, the translation of amounts denominated in US\$ in this announcement into HK\$ is calculated based on an exchange rate of US\$1.00 to HK\$7.80. Such translations should not be construed as a representation that the relevant amounts have been, could have been or could be, converted at any particular rate at all.*

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

Hong Kong, 3 May 2016

As at the date of this announcement, the directors of the Company (the “**Directors**”) are:—

*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  
Ms. Zhou Youmeng

*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 Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange (the “GEM”) 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)).*