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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)

**ANNOUNCEMENT**  
**DISCLOSEABLE AND CONNECTED TRANSACTION**  
**IN RELATION TO**  
**THE DISPOSAL OF 60.3% INTEREST IN**  
**CHINA RUNKING FINANCING GROUP HOLDINGS LIMITED**

On 24 October 2014 (after trading hours of the Stock Exchange), Jovial Lead, a subsidiary of the Company, had received the Offer Letter from Hackett offering to purchase the Sale Shares from Jovial Lead for a cash consideration of HK\$192,698,000. The offer was accepted by Jovial Lead subject to the terms and conditions of the Offer Letter and its acceptance.

Upon Completion, the China Runking Group will cease to be subsidiaries of the Company and its financial results will no longer be consolidated in the consolidated financial statements of the Group.

**IMPLICATION UNDER THE GEM LISTING RULES**

As some of the applicable Percentage Ratio(s) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 19.06 of the GEM Listing Rules.

As Hackett is wholly-owned by Mr. Ting and Mr. Ting is a Substantial Shareholder and a former executive Director and co-chairman (who resigned on 7 July 2014) of the Company and hence a connected person of the Company, the Disposal constitutes a connected transaction of the Company under Rule 20.13 of the GEM Listing Rules. The Disposal is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **GENERAL**

The Independent Board Committee will be established to advise the Independent Shareholders in respect of the Disposal. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same regard.

A circular containing, among other things, (i) further details of the Disposal; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Disposal; (iii) a letter from an independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Disposal; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 14 November 2014 in accordance with the GEM Listing Rules.

Hackett, Mr. Ting and their respective associates including Kaiser Capital are regarded as having material interest in the Disposal and therefore they are required to abstain from voting on the resolution(s) proposed to be passed at the EGM for approving the Disposal pursuant to the terms and conditions of the Offer Letter and its acceptance and the transactions contemplated thereunder.

**As the Disposal is subject to a number of conditions precedent, the Disposal may or may not become unconditional or be completed, Shareholders and potential investors should exercise caution when dealing in the Shares.**

The Board of Credit China Holdings Limited (the “**Company**”) wishes to announce that on 24 October 2014 (after trading hours of the Stock Exchange), Jovial Lead had received the Offer Letter from Hackett offering to purchase the Sale Shares from Jovial Lead for a cash consideration of HK\$192,698,000. The Offer was accepted by Jovial Lead subject to the terms and conditions of the Offer Letter and its acceptance.

## **THE OFFER LETTER**

### **Date**

24 October 2014

## **Parties**

Vendor: Jovial Lead, a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company. Jovial Lead is principally engaged in investment holding.

Purchaser: Hackett, a company incorporated in the Republic of Seychelles with limited liability, which is wholly-owned by Mr. Ting, a Substantial Shareholder and a former executive Director and co-chairman (who resigned on 7 July 2014) of the Company and thus a connected person of the Company. Hackett is principally engaged in investment holding.

## **Subject matter**

Pursuant to the terms and conditions of the Offer Letter which have been accepted by Jovial Lead, Jovial Lead has conditionally agreed to sell and Hackett has conditionally agreed to purchase the Sale Shares.

## **Consideration**

The consideration for the sale and purchase of the Sale Shares is HK\$192,698,000 of which HK\$100,000,000 is payable by Hackett to Jovial Lead in cash at Completion and HK\$92,698,000 is payable by Hackett to Jovial Lead in cash on or before 31 March 2015.

The consideration of HK\$192,698,000 was offered by Hackett in the Offer Letter which is considered fair and reasonable by the Company based on the unaudited net assets value of the China Runking Group as at 30 September 2014 of approximately HK\$319,566,000 and the consideration represents a price-earnings ratio of approximately 10.6 times of the audited consolidated net profit of the China Runking Group for the year ended 31 December 2013.

## **Conditions precedent of the Disposal**

Completion is subject to the fulfillment of the following conditions precedent:

- (a) all necessary consents, licences and approvals required to be obtained on the part of Jovial Lead in respect of the Disposal and the transactions contemplated hereunder having been obtained and remaining in full force and effect;

- (b) the Right of First Refusal and the Right of Co-Sale under the Shareholders' Agreement having been waived by each of Gold Kingdom, Full Plus and Profounders or having expired;
- (c) the Independent Shareholders having passed the necessary resolutions at the EGM to approve the offer under the Offer Letter and its acceptance and the transactions contemplated thereunder; and
- (d) the offer made by Hackett for 22,698,000 shares in China Runking held by Full Plus as set out in the offer letter issued by Hackett to Full Plus having been accepted by Full Plus and become unconditional (save for the condition in relation to the offer under the Offer Letter).

If the above conditions precedent have not been satisfied at or before 4:00 p.m. on 30 November 2014 (or such later date as agreed between Jovial Lead and Hackett), the agreement under the Offer Letter and Jovial Lead's acceptance will cease and determine and thereafter neither party shall have any obligations and liabilities towards each other save for any antecedent breaches.

### **Completion**

Completion shall take place at 4:00 p.m. within three (3) Business Days after all the conditions precedent set out in the Offer Letter have been fulfilled or such other time as may be agreed between Jovial Lead and Hackett in writing.

Upon Completion, the China Runking Group will cease to be subsidiaries of the Company and its financial results will no longer be consolidated in the consolidated financial statements of the Group.

### **INFORMATION OF THE GROUP AND THE CHINA RUNKING GROUP**

The China Runking Group is principally engaged in small loan financing services in Chongqing City, the PRC. As at the date of this announcement, China Runking is owned as to 60.3% by Jovial Lead, as to 25% by Gold Kingdom, 9.7% by Full Plus and 5% by Profounders.

## Financial information of China Runking

Set out below is the consolidated financial information of China Runking and its subsidiaries for the two years ended 31 December 2012 and 2013 respectively:

	For the year ended	
	31 December	
	2012	2013
	(Audited)	(Audited)
	HK\$'000	HK\$'000
Turnover	45,678	63,813
Net profit before tax	36,616	37,921
Net profit after tax	28,019	30,111
Net assets	24,828	294,795

### FINANCIAL EFFECT OF THE DISPOSAL AND USE OF PROCEEDS

Based on the unaudited net assets value of the China Runking Group as at 30 September 2014, no gain or loss on the Disposal is expected to be recorded in the books of the Group.

The net proceeds from the Disposal will be used as general working capital of the Group.

### REASONS FOR AND THE BENEFITS OF THE DISPOSAL

The principal activities of the Group are provision of pawn loan service, entrusted loan service, real estate-backed loan service, microfinance service, other loan service and financing consultancy service, P2P loan consultancy service and online third party payment service.

The Disposal represents a good opportunity to the Group to realise its investment in the China Runking Group so that the Group may utilise its resources and funds to strengthen the area of internet finance business, which has better potential for growth.

None of the Directors (including the INEDs) has any material interests in the Disposal and was not required to abstain from voting on the Board resolutions approving the Disposal.

Based on the above, the Directors (excluding the INEDs whose view will be included in the circular after taken into account the advice from the independent financial adviser) consider that the Disposal is on normal commercial terms and the terms of the Disposal under the Offer Letter and its acceptance are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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

As some of the applicable Percentage Ratio(s) in respect of the Disposal are more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company under Rule 19.06 of the GEM Listing Rules.

As Hackett is wholly-owned by Mr. Ting and Mr. Ting is a Substantial Shareholder and a former executive Director and co-chairman (who resigned on 7 July 2014) of the Company and hence a connected person of the Company, the Disposal constitutes a connected transaction of the Company under Rule 20.13 of the GEM Listing Rules. The Disposal is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 20 of the GEM Listing Rules.

## **GENERAL**

The Independent Board Committee will be established to advise the Independent Shareholders in respect of the Disposal. An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in the same regard.

A circular containing, among other things, (i) further details of the Disposal; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Disposal; (iii) a letter from an independent financial adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Disposal; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 14 November 2014 in accordance with the GEM Listing Rules.

Hackett, Mr. Ting and their respective associates including Kaiser Capital are regarded as having material interest in the Disposal and therefore they are required to abstain from voting on the resolution(s) proposed to be passed at the EGM for approving the Disposal pursuant to the terms and conditions of the Offer Letter and its acceptance and the transactions contemplated thereunder.

**As the Disposal is subject to a number of conditions precedent, the Disposal may or may not become unconditional or be completed, Shareholders and potential investors should exercise caution when dealing in the Shares.**

## **DEFINITIONS**

“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which licensed banks in Hong Kong are generally open for normal banking business throughout their normal business hours (excluding a Saturday, Sunday or public holiday)
“BVI”	the British Virgin Islands
“China Fortune”	China Fortune Financial Group Limited (stock code: 290), a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
“China Runking”	China Runking Financing Group Holdings Limited (formerly known as Media Eagle Limited), a company incorporated in Hong Kong with limited liability, which is owned as to 60.3% by Jovial Lead, 25% by Gold Kingdom, 9.7% by Full Plus and 5% by Profounders as at the date of this announcement
“China Runking Group”	China Runking and its subsidiaries
“China Runking Shares”	shares of HK\$1.00 each in the share capital of China Runking
“Company”	Credit China Holdings Limited (stock code: 8207), an exempted company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed and traded on GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules

“Completion”	completion of the Disposal
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 60.3% equity interest in China Runking by Jovial Lead pursuant to the terms and conditions of the Offer Letter and its acceptance
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve the Disposal pursuant to the terms and conditions of the Offer Letter and its acceptance and the transactions contemplated thereunder
“Full Plus”	Full Plus Group Limited, a company incorporated in the BVI with limited liability, which is interested in 9.7% equity interest in China Runking as at the date of this announcement and the entire issued share capital of which is legally and beneficially owned by Mr. Yam Tak Cheung
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Gold Kingdom”	Gold Kingdom Holdings Limited, a company incorporated in the BVI with limited liability and a wholly-owned subsidiary of China Fortune, which is interested in 25% equity interest in China Runking as at the date of this announcement
“Group”	the Company and its subsidiaries
“Hackett”	Hackett Enterprises Limited, a company incorporated in the Republic of Seychelles with limited liability, which is wholly-owned by Mr. Ting
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company to be formed by all the INEDs, namely Messrs. Ge Ming, Peter Z kuk and Wang Wei to advise the Independent Shareholders in respect of the Disposal



“Independent Shareholders”	Shareholders other than Hackett, Mr. Ting and their respective associates including Kaiser Capital, who are required by the GEM Listing Rules to abstain from voting on the resolutions approving the Disposal pursuant to the terms and conditions of the Offer Letter and its acceptance and the transactions contemplated thereunder
“INEDs”	independent non-executive Directors
“Jovial Lead”	Jovial Lead Limited, a company incorporated in the BVI with limited liability, an indirect wholly-owned subsidiary of the Company
“Kaiser Capital”	Kaiser Capital Holdings Limited, a company incorporated in the BVI with limited liability, which is wholly-owned by Mr. Ting and holds approximately 9.97% issued share capital of the Company
“Mr. Ting”	Mr. Ting Pang Wan, Raymond, a Substantial Shareholder and a former executive Director and co-chairman (who resigned on 7 July 2014) of the Company
“Offer Letter”	an offer letter dated 24 October 2014 and issued by Hackett to Jovial Lead in relation to the Disposal
“Percentage Ratios”	the percentage ratios set out in Rule 19.08 to be applied for determining the classification of a transaction under the GEM Listing Rules
“PRC”	the People’s Republic of China which for the purpose of this announcement excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Profounders”	Profounders Project I Limited, a company incorporated in the BVI with limited liability, which is interested in 5% equity interest in China Runking as at the date of this announcement

“Right of Co-Sale”	the right of co-sale granted to current shareholders of China Runking, under the Shareholders’ Agreement, pursuant to which in the event that any shareholder of China Runking proposes to sell any of China Runking Shares representing not less than 20% of the issued share capital of China Runking, the non-selling shareholder(s) of China Runking, who does not exercise the Right of First Refusal shall have a right of co-sale to participate in such sale on the same terms and conditions
“Right of First Refusal”	the right of first refusal granted to current shareholders of China Runking, under the Shareholders’ Agreement, pursuant to which in the event that any shareholder of China Runking proposes to sell any of China Runking Shares, the non-selling shareholder(s) of China Runking shall have a right of first refusal to purchase such China Runking Shares on the same terms and conditions
“Sale Shares”	141,102,000 China Runking Shares, being 60.3% of the issued share capital of China Runking as at the date of this announcement
“Shareholders”	holder(s) of the issued Shares
“Shareholders’ Agreement”	the shareholders’ agreement entered into amongst Gold Kingdom, Jovial Lead, Full Plus and Profounders, being all the existing shareholders of China Runking, in relation to the management of China Runking and its relationship with each of its shareholders
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the GEM Listing Rules

“Substantial Shareholder”	has the meaning ascribed to it under the GEM Listing Rules
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

By order of the Board  
**Credit China Holdings Limited**  
**Li Mingshan**  
*Chairman*

Hong Kong, 26 October 2014

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

*Executive Directors:*

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

*Non-executive Directors:*

Mr. Li Mingshan (*Chairman*)  
Mr. Wong Sai Hung

*Independent Non-executive Directors:*

Mr. Ge Ming  
Mr. Peter Z Kuk  
Mr. Wang Wei

*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)).*