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FIRST CREDIT HOLDINGS LIMITED

第一信用控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8215)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 17.10 of the GEM Listing Rules.

The Board wishes to inform the shareholders of the Company and potential investors that due to (i) a new service contract with Mr. Sin having become effective upon independent shareholders' approval at the EGM of the Company on 19 December 2012; and (ii) provisions for impairment and expected write off of certain loan receivables, the Group is expected to record a loss for the year ending 31 December 2012 as compared to a net profit for the year ended 31 December 2011.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by First Credit Holdings Limited (the "Company", together with its subsidiaries, the "Group") pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules").

The board (the "Board") of directors (the "Directors") of the Company wishes to inform the shareholders of the Company and potential investors that due to (i) a new service contract with Mr. Sin Kwok Lam ("Mr. Sin"), the Chairman and an executive director of the Company, having become effective upon independent shareholders' approval at the extraordinary general meeting (the "EGM") of the Company on 19 December 2012; and (ii) provisions for impairment and expected write off of certain loan receivables on individual assessment, the Group is expected to record a loss for the year ending 31 December 2012 as compared to a net profit for the year ended 31 December 2011.

The principal reason for the expected loss is explained in the Company's announcement dated 29 November 2012 and the circular dated 4 December 2012. This relates to the one-off expense of approximately HK\$39.4 million for the year ending 31 December 2012 resulting from a change in the terms relating to the Remuneration Shares (as defined therein) under the Director's Service Contract (as defined therein) with Mr. Sin, as set out under the section headed "Potential financial impact to the Group". A final stock valuation performed on 19 December 2012 has determined the actual amount of the aforesaid expenses to be recognised by the Company to be approximately HK\$34.6 million. For comparison, prior to the above change in the terms relating to the Remuneration Shares, the share-based payment expenses relating to the fair value of the Remuneration Shares was amortised in a straight line method

over the Vesting Period (as defined therein) at HK\$6.0 million per annum. Save for the costs incurred by the professionals involved in this exercise, the above one-off expense does not involve any cash outflow.

In addition, an expense in the total sum of approximately HK\$11.6 million, being provisions for impairment and expected write off of certain loan receivables, is expected to be recognised in the statement of comprehensive income for the year ending 31 December 2012. Based on the management's on-going review of loan recoverability and the Group's impairment policy, (i) a partial provision for loan impairment of approximately HK\$2.8 million was made in respect of two unsecured corporate loans as the borrower has been slow in making monthly repayments in the past few months; and (ii) it is expected that the remaining balance, net of existing provision, of approximately HK\$8.8 million in respect of another loan to certain joint borrowers will be written off. The said loan as mentioned in (ii) was restructured in March 2009, and its repayment has since then been in line with the monthly repayment schedule until October 2012. However, the management has recently become aware that the joint borrowers may be unable to continue repayment and expects the outstanding balance of such loan will be written off in the year ending 31 December 2012.

The information contained in this announcement is only based on the financial impact pursuant to compliance with the accounting standard applied to the abovementioned change in the terms relating to the Remuneration Shares under the Director's Service Contract with Mr. Sin and the preliminary assessment by the Board based on the Company's management accounts and the information provided by the management. The above figures may be subject to further adjustment based on figures or further updated information, and following review and audit by the Company's auditor. Shareholders and potential investors are advised to read carefully the annual results announcement of the Company for the year ending 31 December 2012 which will be published in due course after the end of the period.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
First Credit Holdings Limited
Tsang Yan Kwong
Chief Executive Officer and Executive Director

Hong Kong, 21 December 2012

As at the date of this announcement, the Board comprises Mr. Sin Kwok Lam (Chairman), Mr. Tsang Yan Kwong (Chief Executive Officer), Mr. Leung Wai Hung and Ms. Ho Siu Man as executive Directors; Mr. Tai Kwok Leung Alexander as non-executive Director; and Mr. Chan Hoi Wan, Mr. Chan Tung Tak Alain, Mr. Li Kit Chee and Mr. Yang Pao An as independent non-executive Directors.

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 website of the GEM of the Stock Exchange at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting. This announcement will also be published and remains on the Company’s website at www.firstcredit.com.hk.