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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)

**(1) DISCLOSEABLE TRANSACTION:
THE ENTERING INTO OF SHAREHOLDERS' AGREEMENT
AMONG THE SHAREHOLDERS OF
MEDIA EAGLE LIMITED;
AND
(2) DISCLOSEABLE TRANSACTION:
DISPOSAL OF INTEREST IN MEDIA EAGLE LIMITED
AS A RESULT OF THE ISSUE OF EXCHANGEABLE NOTE**

(1) SHAREHOLDERS' AGREEMENT

On 14 November 2011 (after trading hours), Jovial Lead, Full Plus and Profounders, being all the existing shareholders of Media Eagle entered into the Shareholders' Agreement in relation to the management of Media Eagle and its relationship with each of the shareholders, including but not limited to the Capital Commitment.

(2) ISSUE OF EXCHANGEABLE NOTE

On 14 November 2011 (after trading hours), Jovial Lead, an indirect wholly-owned subsidiary of the Company, as issuer, Gold Kingdom as subscriber and the Company as guarantor entered into the Subscription Agreement in respect of the issue of the Exchangeable Note in the principal amount of US\$7,500,000 due 2012 exchangeable into 25 ME Shares, representing 25% of the entire issued share capital in Media Eagle as at the date hereof. Completion of the Subscription is subject to the conditions as set out in the paragraph headed "Conditions precedent" below. Detailed terms of the Exchangeable Note are set out in the paragraph headed "Principal terms of the Exchangeable Note".

The net proceeds from the Exchangeable Note of approximately US\$7,450,000 will be injected by way of shareholders' loan to Media Eagle to pay up the registered capital of the PRC Company.

GENERAL

As the relevant applicable percentage ratios of the Capital Commitment to the PRC Company on the part of the Group pursuant to the terms and conditions of the Shareholders' Agreement calculated under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Company has complied with all the disclosure requirements under Chapter 19 of the GEM Listing Rules for a discloseable transaction in this announcement in respect of the provision of the Capital Commitment and the transactions contemplated thereunder.

In addition, the issue of Exchangeable Note by Jovial Lead constitutes an agreement to dispose of its interests in Media Eagle. As the relevant applicable percentage ratio calculated in accordance with the GEM Listing Rules is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is only subject to the reporting and announcement requirements of the GEM Listing Rules.

(1) SHAREHOLDERS' AGREEMENT

Date

14 November 2011 (after trading hours)

Parties : Jovial Lead
Full Plus
Profounders

Jovial Lead is an indirect wholly-owned subsidiary of the Company. To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, each of Full Plus, Profounders and their ultimate beneficial owners are third parties independent of the Company and connected persons of the Company.

Major terms of the Shareholders' Agreement

Composition of the board of Media Eagle

The board of Media Eagle shall comprise four directors, of whom three shall be appointed by Jovial Lead and one by Full Plus. The chairman of Media Eagle shall be nominated by Jovial Lead.

Investment committee of Media Eagle

The investment committee of Media Eagle shall comprise four members, of whom three shall be appointed by Jovial Lead and one shall be appointed by Full Plus. The chairman of the investment committee of Media Eagle shall be nominated by Jovial Lead and has veto rights on all decisions arising at all meetings of such committee.

Quorum for meetings

The quorum for all meetings of the board of Media Eagle shall be two directors, of whom there must consist of at least one director nominated by Jovial Lead.

The quorum for all shareholders' meetings of Media Eagle shall be two shareholders, of whom one must be Jovial Lead.

The quorum for meetings of the investment committee shall be two members, of whom there must consist of at least one member nominated by Jovial Lead.

Capital Commitment and further financing

Each of Jovial Lead, Full Plus and Profounders has to contribute, in proportion to their respective shareholding in Media Eagle, an aggregate amount of US\$30,000,000 (equivalent to approximately HK\$234,000,000), of which US\$25,500,000 (equivalent to approximately HK\$198,900,000) by Jovial Lead, US\$3,000,000 (equivalent to approximately HK\$23,400,000) by Full Plus, and US\$1,500,000 (equivalent to approximately HK\$11,700,000) by Profounders in cash by way of shareholders' loan to Media Eagle to pay up the registered capital of the PRC Company.

If the board of Media Eagle resolves that Media Eagle requires further capital and financing, each of the shareholders of Media Eagle shall, subject to compliance with applicable laws and regulations, (i) provide financing to Media Eagle in proportion to their shareholding percentages by way of shareholders' loan or such other forms of financing as the shareholders may agree upon; or (ii) approve Media Eagle to raise further equity or debt financing from external sources and at all times on terms satisfactory to the board of Media Eagle.

Further information on the Media Eagle Group and the Joint Venture Parties

Full Plus is a company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Mr. Yam Tak Cheung. It is an investment holding company.

Profounders is a company incorporated in the British Virgin Islands with limited liability. It is an investment holding company. Profounders is a proprietary investment vehicle of Profounders Holdings Limited, a company incorporated in the British Virgin Islands. Profounders Holdings Limited is a private equity investment company which focuses on investments in selected, high-growth Chinese companies.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Full Plus and Profounders and their ultimate beneficial owners is third party independent of the Company and connected persons of the Company.

The Group intends to settle the Capital Commitment from its internal resources and the subscription price received upon the issue of the Exchangeable Note.

The financial information of Media Eagle Group for the period from 3 June 2011 (date of incorporation) to 31 October 2011 is as follow:

	For the period from 3 June 2011 (date of incorporation) to 31 October 2011 (unaudited) HK\$
Results	
Revenue	0
Profit before tax	(28,920)
Profit after tax	(28,920)
Total assets	(28,819)
Net assets value	(28,819)

Reasons for, and benefits of, the transaction

The Company is an investment holding company. The Group is principally engaged in the provision of pawn loan, entrusted loan and financing consultancy services.

The entering into of the Shareholders' Agreement and provision of Capital Commitment into the PRC Company for its registered capital enables the Group to (i) expand its geographical penetration from Shanghai, the PRC to Chongqing, the PRC; and (ii) expand its scope of business to provision of small loan financing services.

Chongqing is one of the fastest growing cities in China in terms of both GDP growth and disposable income per capita. The Directors consider the entering into of the Shareholders' Agreement will enable the Group to exploit the relatively undeveloped small loan market in Chongqing, which has a relatively low micro loan to total loan ratio. The PRC Government is also restricting the issuance of small loan financing license and the minimum registered capital requirement has been raised substantially. It is getting difficult for foreign invested companies to apply for small loan license. Overall, this represents a valuable opportunity for the Group to tap into the small loan market of Chongqing with high growth and limited competition.

The Directors consider the terms of Shareholders' Agreement and provision of Capital Commitment are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

(2) SUBSCRIPTION AGREEMENT

1) Parties and Date

Date: 14 November 2011 (after trading hours)

Issuer: Jovial Lead

Subscriber: Gold Kingdom

Guarantor: the Company, as the guarantor of Jovial Lead, has guaranteed in favour of Gold Kingdom the due and punctual performance by Jovial Lead of its obligations under the Subscription Agreement

Gold Kingdom is a company incorporated in the British Virgin Islands with limited liability, and is a wholly-owned subsidiary of China Fortune, a company incorporated in the Cayman Islands with limited liability, the issued shares of which is listed on the Stock Exchange (stock code: 290). Gold Kingdom is an investment holding company. China Fortune is principally engaged in securities, futures and insurance brokerage and margin financing in Hong Kong. To the best of the knowledge, information and belief of the Directors having made all reasonable enquires, each of Gold Kingdom, its ultimate beneficial owner(s) and their respective associates are third parties independent of the Company and connected persons of the Company.

2) **Principal terms of the Exchangeable Note**

The principal terms of the Exchangeable Note are arrived at after arm's length negotiations between Jovial Lead, Gold Kingdom and the Company and are summarized as follows:

Principal amount: US\$7,500,000

Subscription price: the subscription price of the Exchangeable Note in the sum of US\$7,500,000 shall be satisfied in full at Completion in cash by Gold Kingdom.

Interest rate: the Exchangeable Note shall carry an interest of 12% per annum payable on the Maturity Date. The Exchangeable Note will cease to bear interest from the date of exchange or the due date for redemption unless, upon default is made in respect of any payment arising on redemption. Notwithstanding the aforementioned, in the event that the whole of the principal amount of the Exchangeable Note is exchanged in accordance with the conditions to the Instrument, the Noteholder shall not be entitled to any interest accrued in respect of the whole of the principal amount of the Exchangeable Note.

Maturity date and redemption: Unless previously redeemed, repurchased and cancelled or exchanged, any outstanding Exchangeable Note shall be redeemed on the date falling on the first anniversary of the date of issue of the Exchangeable Note.

- Ranking:** The Exchangeable Note constitutes direct, unconditional, unsubordinated, secured and guaranteed obligations of Jovial Lead and rank pari passu without any preference among themselves.
- Security:** On the date of issue of the Exchangeable Note, Jovial Lead shall have delivered to Gold Kingdom the duly executed Share Pledge to create a pledge over 25 ME Shares in favour of Gold Kingdom and the Noteholder as security for Jovial Lead fulfilling its covenants, obligations and undertakings under the Instrument and the Subscription Agreement towards the Noteholder from time to time and/or Gold Kingdom.
- Exchange:** The Noteholder will have the right to exchange the whole principal amount of the Exchangeable Note into Exchange Shares at any time during the Exchange Period, namely the period from the date of issue of the Exchangeable Note up to and including the Maturity Date.
- Exchange Price:** The Exchange Price is initially US\$300,000 per Exchange Share, subject to adjustment for, among other matters, subdivision or reclassification or consolidation of shares of Media Eagle, and capitalisation issue to the shareholders of Media Eagle (other than in lieu of a cash dividend).
- Transfer:** Without the prior written consent of Jovial Lead, the Exchangeable Note may not be transferable or assignable.
- Early Redemption:** Jovial Lead shall be entitled to redeem, and Gold Kingdom shall be entitled to request Jovial Lead to redeem, the outstanding principal amount of the Exchangeable Note on the date immediately following six (6) months after the date of the issue of the Exchangeable Note up to the date falling ten (10) Business Days prior to the Maturity Date upon serving a written notice of redemption on Jovial Lead and upon receipt of such notice, Jovial Lead shall within ten (10) Business Days redeem the Exchangeable Note in cash.

In the event that Jovial Lead serves a notice to the Noteholder within the period mentioned above requesting for early redemption of the outstanding principal amount of the Exchangeable Note, the Noteholder shall be given the opportunity to exercise the option to exchange the Exchangeable Note for the Exchange Shares within ten (10) Business Days after the date of a written notice of early redemption is served by Jovial Lead.

Deed of Assignment: Jovial Lead undertakes to Gold Kingdom that upon the Noteholder exercise its exchangeable rights attached to the Exchangeable Note, Jovial Lead shall enter, and shall procure Media Eagle to enter, into the Deed of Assignment to assign the shareholders' loan in the sum of US\$7,500,000 to be injected by Jovial Lead to Media Eagle to the Noteholder.

Based on the initial Exchange Price of US\$300,000 per Exchange Share, an aggregate number of 25 Exchange Shares will be exchanged upon exercise of the exchangeable rights attached to the Exchangeable Note, which represent 25% of the issued share capital of Media Eagle as at the date of this announcement. As at the date of this announcement, Jovial Lead is legally and beneficially interested in 85% of the issued share capital in Media Eagle. Upon the Noteholder exercise the exchangeable rights attached to the Exchangeable Note, assuming there being no other changes in the share capital of Media Eagle, Jovial Lead will own 60% of the issued share capital of Media Eagle and Media Eagle will continue to be a non-wholly owned subsidiary of the Company.

The subscription price of the Exchangeable Note was determined with reference to the Capital Commitment on the part of Media Eagle to pay up the registered capital of the PRC Company and to be further elaborated in the section headed "Reasons for the issue of the Exchangeable Note and use of proceeds" below.

No new ME Shares will be issued by Media Eagle in relation to the exchange of the Exchangeable Note and accordingly the total issued share capital of Media Eagle will not be affected by the issuance or exchange of the Exchangeable Note by the Noteholder.

The Directors consider that the terms and conditions of the Subscription Agreement, which were arrived at after arm's length negotiations between Jovial Lead, Gold Kingdom and the Company, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

3) Conditions precedent

Completion is conditional upon the fulfillment of the following conditions precedent:

- (i) the Share Pledge having been executed by Jovial Lead and received by Gold Kingdom; and
- (ii) all necessary consents, authorizations, licences and approvals required to be obtained from all relevant governments and regulatory authorities in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained.

If any of the above conditions are not fulfilled on or before 31 December 2011 or such other date as the parties may agree, the Subscription Agreement will lapse and become null and void and the parties shall be released from all obligations hereunder, save the liabilities for any antecedent breaches thereof.

4) Completion

Completion shall take place within three (3) Business Days after the above conditions are fulfilled (or such other date as the parties hereto may agree).

Reasons for the issue of Exchangeable Note and use of proceeds

The Group is principally engaged in the provisions of pawn loan, entrusted loan and financing consultancy services.

Media Eagle is a company incorporated in Hong Kong with limited liability on 3 June 2011.

As at the date of this announcement, Media Eagle is owned as to 85% by Jovial Lead, 10% by Full Plus and 5% by Profounders. Media Eagle is an investment holding company.

Media Eagle owns the entire issued share capital of the Hong Kong Company, which in turn owns the entire registered capital of the PRC Company. The PRC Company is principally engaged in small loan financing services.

The registered capital of the PRC Company will be US\$30,000,000, which shall be contributed by the ultimate beneficial owner of the PRC Company, i.e. Jovial Lead, Full Plus and Profounders in proportion to their interests in the Media Eagle Group. The existing shareholders of Media Eagle entered into the Shareholders' Agreement on 14 November 2011. Pursuant to the Shareholders' Agreement (details of which to be further discussed in the sections below), each of Jovial Lead, Full Plus and Profounders will be required to contribute US\$25,500,000 (equivalent to approximately HK\$198,900,000), US\$3,000,000 (equivalent to approximately HK\$23,400,000), and US\$1,500,000 (equivalent to approximately HK\$11,700,000) respectively to finance the capital commitment on the part of Media Eagle. As at the date of this announcement, the registered capital has not yet been injected into the PRC Company.

Gold Kingdom has agreed to finance 25% of the entire capital commitment on the part of Media Eagle by way of subscription of the Exchangeable Note. The Exchange Shares, to be transferred from Jovial Lead to Gold Kingdom upon the exercise of the exchange rights attaching to the Exchangeable Note, represent 25% of the issued share capital of Media Eagle. The subscription price of the Exchangeable Note will be injected by Jovial Lead into Media Eagle by way of shareholders' loan to satisfy the Capital Commitment. As mentioned above in this announcement, upon exchangeable rights attaching to the Exchangeable Note having been exercised by the Noteholder, Jovial Lead, the Noteholder and Media Eagle would enter into the Deed of Assignment, pursuant to which Jovial Lead will assign such shareholders' loan injected by Jovial Lead to Media Eagle to the Noteholder.

The issue of the Exchangeable Note allows the Group to reduce its immediate cash outflow for the Capital Commitment by US\$7,500,000 (equivalent to approximately HK\$58,500,000). In the event Gold Kingdom or the Noteholder opts to exercise the exchange rights attaching to the Exchangeable Note during the Exchange Period, Jovial Lead will remain to be interested in the majority stake in Media Eagle and Media Eagle will continue to be a non-wholly owned subsidiary of the Company and its financial results will continue to be fully consolidated in the Group's accounts.

The Directors consider that the terms of the Subscription Agreement and the Subscription are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The net proceeds from the issue of the Exchangeable Note of approximately US\$7,450,000 shall be applied as funds for the capital injection by way of shareholders' loan to Media Eagle to pay up the registered capital of the PRC Company.

GENERAL

As the relevant applicable percentage ratios of the Capital Commitment to the PRC Company on the part of the Group pursuant to the terms and conditions of the Shareholders' Agreement calculated under Rule 19.07 of the GEM Listing Rules are more than 5% but less than 25%, the Company has complied with all the disclosure requirements under Chapter 19 of the GEM Listing Rules for a discloseable transaction in this announcement in respect of the provision of the Capital Commitment and the transactions contemplated thereunder.

In addition, the issue of Exchangeable Note by Jovial Lead constitutes an agreement to dispose of its interests in Media Eagle. As the relevant applicable percentage ratio calculated in accordance with the GEM Listing Rules is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction on the part of the Company under Chapter 19 of the GEM Listing Rules and is only subject to the reporting and announcement requirements of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturdays, Sundays and public holidays in Hong Kong) on which licensed banks generally are open for business in Hong Kong
“Capital Commitment”	US\$25,500,000 (equivalent to approximately HK\$198,900,000) to be contributed by the Group as registered capital of the PRC Company
“China Fortune”	China Fortune Financial Group Limited, 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
“Company”	Credit China Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM

“Completion”	completion of the Subscription Agreement
“connected persons”	has the meaning ascribed thereto in the GEM Listing Rules and the word “connected” shall construed accordingly
“Deed of Assignment”	a deed of assignment to be executed by Jovial Lead, the Noteholder and Media Eagle to assign the shareholders’ loan in the sum of US\$7,500,000 to be injected by Jovial Lead to Media Eagle pursuant to the Shareholders’ Agreement to the Noteholder
“Director(s)”	the director(s) of the Company
“Exchange Period”	from the date of issue of the Exchangeable Note up to and including the Maturity Date
“Exchange Price”	the initial exchange price of US\$300,000 (subject to adjustment) per Exchange Share upon exchange of the Exchangeable Note
“Exchange Shares”	the ME Shares which may be transferred from Jovial Lead to the Noteholder upon exercise of the exchange rights attaching to the Exchangeable Note
“Exchangeable Note”	the 12% coupon exchangeable note in principal amount of US\$7,500,000 to be issued by Jovial Lead to Gold Kingdom pursuant to the Subscription Agreement
“Full Plus”	Full Plus Group Limited, a company incorporated in the British Virgin Islands with limited liability, interested in 10% of Media Eagle as at the date of this announcement
“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 British Virgin Islands with limited liability, a wholly-owned subsidiary of China Fortune
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Hong Kong Company”	City Eagle Holdings Limited, a company incorporated in Hong Kong with limited liability, which is wholly-owned by Media Eagle
“Jovial Lead”	Jovial Lead Limited, a company incorporated in the British Virgin Islands with limited liability, a wholly-owned subsidiary of the Company, interested in 85% of Media Eagle as at the date of this announcement
“Maturity Date”	the date falling the first anniversary of the date of issue of the Exchangeable Note
“Media Eagle”	Media Eagle Limited, a company incorporated in the Hong Kong with limited liability, which is owned as to 85% by Jovial Lead, 10% by Full Plus and 5% by Profounders as at the date of this announcement
“Media Eagle Group”	together, Media Eagle, the Hong Kong Company and the PRC Company
“ME Share(s)”	the ordinary share(s) of HK\$1.00 each in the issued share capital of Media Eagle
“Noteholder”	holder of the Exchangeable Note
“Profounders”	Profounders Project I Limited, a company incorporated in the British Virgin Islands with limited liability

“PRC”	the People’s Republic of China, for the purpose of this announcement excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“PRC Company”	Chongqing Liangjiang New Area Run Tong Small Loan Business Limited* 重慶市兩江新區潤通小額貸款有限公司, a wholly foreign owned enterprise established in the PRC on 18 October 2011, which is wholly-owned by the Hong Kong Company
“Prospectus”	the prospectus of the Company dated 15 November 2010
“Share Pledge”	a share pledge to be executed by Jovial Lead in respect of its beneficial interest in the 25 shares of Media Eagle in favour of Gold Kingdom upon Completion
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ Agreement”	the shareholders’ agreement entered into among Jovial Lead, Full Plus and Profounders, being all the existing shareholders of Media Eagle, in relation to the management of Media Eagle and its relationship with each of the shareholders
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Exchangeable Note by Gold Kingdom pursuant to the terms of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 14 November 2011 and entered into among Jovial Lead, Gold Kingdom and the Company in relation to the subscription and issue of the Exchangeable Note

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

By Order of the Board
Credit China Holdings Limited
Shi Zhi Jun
Chairman

Hong Kong, 14 November 2011

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

Executive Directors:

Mr. Shi Zhi Jun (*Chairman*)

Mr. Ji Zu Guang

Ms. Shen Li (*Chief Executive Officer*)

Independent Non-executive Directors:

Mr. Neo Poh Kiat

Dr. Lau Reimer Mary Jean

Mr. Lee Sze Wai

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 in this announcement misleading.

This announcement will remain on the pages of “Latest Company Announcements” on the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting. This announcement will also be posted on the Company’s website at www.creditchina.hk.

Translation of US\$ into HK\$ are based on the exchange rates of US\$1.00 to HK\$7.8 for information purpose only. Such translation should not be translated as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate at all.

* *English transliteration of Chinese terms for identification only*