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華銀控股有限公司

SINO CREDIT HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 628)

- (1) SECOND SUPPLEMENTAL AGREEMENTS
TO SUBSCRIPTION AGREEMENTS;
(2) FURTHER INFORMATION IN RELATION TO
APPLICATION FOR WHITEWASH WAIVER;
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FACTORING SERVICE FRAMEWORK AGREEMENT AND
FINANCIAL LEASING SERVICE FRAMEWORK AGREEMENT;
AND
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SECOND SUPPLEMENTAL AGREEMENTS TO SUBSCRIPTION AGREEMENTS

On 5 August 2016, the Company entered into the Second Swiree Supplemental Agreement, the Second Richlane Supplemental Agreement and the Second Best Global Supplemental Agreement with each of Swiree, Richlane and Best Global to extend the Long Stop Date from 30 April 2016 to 31 October 2016.

FURTHER INFORMATION IN RELATION TO APPLICATION FOR WHITEWASH WAIVER

Upon Completion of the Swiree Subscription only, the aggregate shareholding interest of Swiree and parties acting in concert with it in the Company represents approximately 73.01% of the total issued share capital of the Company as enlarged by the issue of the Swiree Subscription Shares (assuming that the Richlane Subscription and the Best Global Subscription do not complete and that none of the Share Options are exercised), and approximately 71.33% of the issued share capital of the Company as enlarged by the issue of the Swiree Subscription Shares and the exercise of the Share Options in full (assuming that the Richlane Subscription and the Best Global Subscription do not complete).

Upon Completion of all of the Subscriptions, the aggregate shareholding interest of Swiree and parties acting in concert with it in the Company represents approximately 77.14% of the enlarged issued share capital of the Company immediately after the allotment and issue of all Subscription Shares and assuming that none of the Share Options are exercised, and approximately 75.61% of the enlarged issued share capital of the Company immediately after the allotment and issue of all Subscription Shares and assuming that the Share Options are exercised in full.

CONTINUING CONNECTED TRANSACTIONS

On 5 August 2016, the Company and Swiree entered into (i) the Factoring Service Framework Agreement in respect of commercial factoring loans to be granted by members of the Group (which shall include GOME Xinda after the Transfer Closing) to GOME Suppliers which are conditional upon transfer of the relevant Accounts Receivable of such GOME Suppliers to the Group. GOME Suppliers shall pay interest and/or other charges (if applicable) to the relevant members of the Group for the factoring services; and (ii) the Financial Leasing Service Framework Agreement in respect of financial leasing loans to be granted by members of the Group to GOME Customers where the proceeds from the relevant loans are used by GOME Customers to purchase goods by wholesale from the GOME Group or purchase goods from GOME Group's designated outlets through which such retail customers can get access to the Group's financial leasing service and products. GOME Customers shall pay rents, interest and/or other charges (if applicable) to the relevant members of the Group for the financial leasing services.

Based on the proposed annual caps of the transactions contemplated under the Framework Agreements and the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the transactions contemplated under the Framework Agreements are subject to the reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DESPATCH OF CIRCULAR

The Board is pleased to announce that the Circular containing, among other things, (i) further details of the Subscriptions, the Whitewash Waiver and the Framework Agreements; (ii) a letter of recommendation from the CCT IBC to the Independent Shareholders in respect of the Framework Agreements; (iii) a letter of recommendation from the Whitewash IBC to the Independent Shareholders in respect of the Subscriptions and the Whitewash Waiver; (iv) a letter of advice from the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Subscriptions, the Whitewash Waiver and the Framework Agreements; (v) a notice of the SGM; and (vi) other information as required under the Takeovers Code and the Listing Rules, for the purpose of the SGM, has been despatched to the Shareholders on 5 August 2016.

INTRODUCTION

Reference is made to the announcements of the Company dated 19 February 2016, 11 March 2016, 31 March 2016, 29 April 2016, 30 May 2016, 7 June 2016 and 29 July 2016 (the “**Announcements**”) in relation to, among other things, the Subscriptions and the Whitewash Waiver. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless the context requires otherwise.

SECOND SUPPLEMENTAL AGREEMENTS TO SUBSCRIPTION AGREEMENTS

Under the Subscription Agreements, the Long Stop Date is 30 April 2016 (or such other date as may be agreed by the parties to the Subscription Agreement(s) in writing).

On 5 August 2016, the Company entered into the Second Swiree Supplemental Agreement, the Second Richlane Supplemental Agreement and the Second Best Global Supplemental Agreement with each of Swiree, Richlane and Best Global to extend the Long Stop Date from 30 April 2016 to 31 October 2016.

Save for the extension of the Long Stop Date, all terms and conditions of the Subscription Agreements (as amended by the First Supplemental Agreements) remain the same.

FURTHER INFORMATION IN RELATION TO APPLICATION FOR WHITEWASH WAIVER

The Board would like to provide further information in relation to the shareholding interests of the Subscribers in the Company before and after the Completion of the Subscription(s).

Upon Completion of the Swiree Subscription only, the aggregate shareholding interest of Swiree and parties acting in concert with it in the Company represents approximately 73.01% of the total issued share capital of the Company as enlarged by the issue of the Swiree Subscription Shares (assuming that the Richlane Subscription and the Best Global Subscription do not complete and that none of the Share Options are exercised), and approximately 71.33% of the issued share capital of the Company as enlarged by the issue of the Swiree Subscription Shares and the exercise of the Share Options in full (assuming that the Richlane Subscription and the Best Global Subscription do not complete).

Upon Completion of all of the Subscriptions, the aggregate shareholding interest of Swiree and parties acting in concert with it in the Company represents approximately 77.14% of the enlarged issued share capital of the Company immediately after the allotment and issue of all Subscription Shares and assuming that none of the Share Options are exercised, and approximately 75.61% of the enlarged issued share capital of the Company immediately after the allotment and issue of all Subscription Shares and assuming that the Share Options are exercised in full.

The table below sets out the shareholding interest of Swiree and parties acting in concert with it in the Company's issued share capital (i) as at the date of this announcement; (ii) immediately after the Completion of the Swiree Subscription only (assuming that the Richlane Subscription and the Best Global Subscription do not complete and none of the Share Options are exercised); (iii) immediately after the Completion of the Swiree Subscription only and the exercise of the Share Options in full (assuming that the Richlane Subscription and the Best Global Subscription do not complete); (iv) immediately after the Completion of all the Subscriptions (assuming that none of the Share Options are exercised); and (v) immediately after the Completion of all the Subscriptions and the exercise of the Share Options in full:

	As at the date of this announcement		Immediately after the Completion of the Swiree Subscription only (assuming that the Richlane Subscription and the Best Global Subscription do not complete and none of the Share Options are exercised)		Immediately after the Completion of the Swiree Subscription only and the exercise of the Share Options in full (assuming that the Richlane Subscription and the Best Global Subscription do not complete)		Immediately after the Completion of all the Subscriptions (assuming that none of the Share Options are exercised)		Immediately after the Completion of all the Subscriptions and the exercise of the Share Options in full	
	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%	Number of Shares	%
Swiree	-	-	1,653,073,872	72.25%	1,653,073,872	70.59%	1,653,073,872	61.20%	1,653,073,872	60.00%
Parties acting in concert with Swiree										
Richlane	-	-	-	-	-	-	275,512,312	10.20%	275,512,312	10.00%
Best Global	-	-	-	-	-	-	137,756,156	5.10%	137,756,156	5.00%
Ko Chun Shun Johnson	15,000,000	2.36%	15,000,000	0.66%	15,000,000	0.64%	15,000,000	0.56%	15,000,000	0.54%
Peninsula Resources Limited	2,264,000	0.36%	2,264,000	0.10%	2,264,000	0.10%	2,264,000	0.08%	2,264,000	0.07%
Subtotal	17,264,000	2.72%	17,264,000	0.76%	17,264,000	0.74%	430,532,468	15.94%	430,532,468	15.61%
Swiree and parties acting in concert with it	17,264,000	2.72%	1,670,337,872	73.01%	1,670,337,872	71.33%	2,083,606,340	77.14%	2,083,606,340	75.61%

CONTINUING CONNECTED TRANSACTIONS

Factoring Service Framework Agreement

The principal terms of the Factoring Service Framework Agreement are as follows:

- Date:** 5 August 2016
- Parties:**
- (i) The Company
 - (ii) Swiree
- Conditions precedent:** The Factoring Service Framework Agreement shall take effect upon the fulfilment of the following conditions precedent:
- (i) the Completion of the Swiree Subscription; and
 - (ii) the terms of the Factoring Service Framework Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders in accordance with the Listing Rules
- Term:** The Factoring Service Framework Agreement will take effect immediately upon the fulfilment of all the above conditions precedent and will expire on 31 March 2019 (inclusive of both dates)
- Subject:** Commercial factoring loans to be granted by members of the Group (which shall include GOME Xinda after the Transfer Closing) to GOME Suppliers which are conditional upon transfer of the relevant Accounts Receivable of such GOME Suppliers to the Group. GOME Suppliers shall pay interest and/or other charges (if applicable) to the relevant members of the Group for the factoring services.
- Guiding principles for providing Connected Factoring Loans:**
- (i) The members of the Group may from time to time and in view of their business demand enter into separate factoring agreements with the GOME Suppliers (“**Individual Factoring Agreements**”), which shall comply with the terms and conditions as set out in the Factoring Service Framework Agreement. Terms of an Individual Factoring Agreement (save for the factoring agreements entered into by GOME Xinda and the GOME Suppliers prior to the effective date of the Factoring Service Framework Agreement) shall be

negotiated at arm’s length and determined by such member of the Group and the relevant GOME Supplier based on normal commercial terms and with reference to the terms and conditions of comparable services offered by the Group to independent third parties or with reference to the prevailing terms and conditions of other comparable factoring loans in the market within the knowledge of the Company, and shall be determined in accordance with the internal procedures of the Company (as described further in the paragraph headed “Loan making processes” below in this announcement). The transactions contemplated thereunder shall be fair and reasonable.

- (ii) Details of the terms of the Individual Factoring Agreements shall be determined in accordance with the conditions and principles set out in the Factoring Service Framework Agreement and in case there is any conflict between the Factoring Service Framework Agreement and any Individual Factoring Agreement, conditions and principles of the Factoring Service Framework Agreement shall prevail.
- (iii) The aggregate principal amount of any outstanding Connected Factoring Loans which may be granted by the Group under the Individual Factoring Agreements entered/to be entered into pursuant to the Factoring Service Framework Agreement (including factoring agreements entered into between GOME Xinda and GOME Suppliers before the effective date of the Factoring Service Framework Agreement but which will remain valid during the term of the Factoring Service Framework Agreement) are subject to the following proposed annual caps:

				For the financial year ending 31 March		
				2017	2018	2019
Connected Factoring Loans	RMB600 million	RMB600 million	RMB600 million			

The Company will also limit (i) the aggregate principal amount of any outstanding Connected Factoring Loans and Connected Financial Leasing to not more than 40% of the Group's latest published total assets from time to time as adjusted by any issue of new Shares where sufficient information has been given to the Shareholders regarding the impact of the new issue on the Group's total assets; and (ii) the aggregate revenue generated from the Connected Factoring Loans and the Connected Financial Leasing to not more than 50% of the Group's total revenue in each financial year (the "**Asset and Revenue Limits**").

**Undertakings given
by Swiree:**

- (i) Swiree acknowledges and agrees to the conditions and principles in respect of the commercial factoring services offered by the Group to GOME Suppliers and agrees and undertakes that Swiree shall not charge any fees in respect of the commercial factoring services provided by the Group to GOME Suppliers and shall not participate in any activities which may influence the negotiation or the price offered in relation to the factoring business. Swiree further agrees and undertakes to procure that the associates (as defined in the Listing Rules) and the concert parties of Swiree, the GOME Group and the associates (as defined in the Listing Rules) of the GOME Group will not engage in any of the above conducts.
- (ii) Swiree undertakes that it shall procure the GOME Group will provide reasonable assistance to the Group in order to enable (a) the auditor appointed by the Company to issue reports in respect of the transactions contemplated under the Factoring Service Framework Agreement as required by the Listing Rules and (b) the Company to comply with the requirements set out in Chapter 14A of the Listing Rules (including but not limited to Rule 14A.39).

Financial Leasing Service Framework Agreement

The principal terms of the Financial Leasing Service Framework Agreement are as follows:

Date: 5 August 2016

- Parties:**
- (i) The Company
 - (ii) Swiree

Conditions precedent: The Financial Leasing Service Framework Agreement shall take effect upon the fulfilment of the following conditions precedent:

- (i) the Completion of the Swiree Subscription; and
- (ii) the terms of the Financial Leasing Service Framework Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders in accordance with the Listing Rules

Term: The Financial Leasing Service Framework Agreement will take effect immediately upon the fulfilment of all the above conditions precedent and will expire on 31 March 2019 (inclusive of both dates)

Subject: Financial leasing loans to be granted by members of the Group to GOME Customers where the proceeds from the relevant loans are used by GOME Customers to purchase goods by wholesale from the GOME Group or purchase goods from GOME Group’s designated outlets through which such retail customers can get access to the Group’s financial leasing service and products. GOME Customers shall pay rents, interest and/or other charges (if applicable) to the relevant members of the Group for the financial leasing services.

Guiding principles for providing Connected Financial Leasing:

- (i) The members of the Group may from time to time and in view of their business demand enter into separate financial leasing agreements with the GOME Customers (“**Individual Financial Leasing Agreements**”) which shall comply with the terms and conditions as set out in the Financial Leasing Service Framework Agreement. Terms of an Individual Financial Leasing Agreement shall be negotiated at arm’s length and determined by such member of the Group and the relevant GOME Customer based on normal commercial terms and with reference to the market price and terms of comparable financial leasing services offered by the Group to independent third parties or with reference to the prevailing terms and conditions of other comparable financial leasing loans in the market within the knowledge of the Company, and shall be determined in accordance with the internal procedures of the Company (as described further in the

paragraph headed “Loan making processes” below in this announcement). The transactions contemplated thereunder shall be fair and reasonable.

- (ii) Details of the terms of the Individual Financial Leasing Agreements shall be determined in accordance with the conditions and principles set out in the Financial Leasing Service Framework Agreement and in case there is any conflict between the Financial Leasing Service Framework Agreement and any Individual Financial Leasing Agreement, conditions and principles of the Financial Leasing Service Framework Agreement shall prevail.
- (iii) The aggregate principal amount of any outstanding Connected Financial Leasing which may be granted by the Group under the Individual Financial Leasing Agreements to be entered into pursuant to the Financial Leasing Service Framework Agreement are subject to the following proposed annual caps:

	For the financial year ending 31 March		
	2017	2018	2019
Connected Financial Leasing	RMB100 million	RMB120 million	RMB120 million

The Company will also be subject to the Asset and Revenue Limits.

**Undertakings given
by Swiree:**

- (i) Swiree acknowledges and agrees to the conditions and principles in respect of the financial leasing services offered by the Group to GOME Customers and agrees and undertakes that Swiree shall not charge any fees in respect of the financial leasing services provided by the Group to GOME Customers and shall not participate in any activities which may influence the negotiation or the price offered in relation to the financial leasing services. Swiree further agrees and undertakes to procure that the associates (as defined in the Listing Rules) and the concert parties of Swiree, the GOME Group and the associates (as defined in the Listing Rules) of the GOME Group will not engage in any of the above conducts.

- (ii) Swiree undertakes that it shall procure the GOME Group will provide reasonable assistance to the Group in order to enable (a) the auditor appointed by the Company to issue reports in respect of the transactions contemplated under the Financial Leasing Service Framework Agreement as required by the Listing Rules and (b) the Company to comply with the requirements set out in Chapter 14A of the Listing Rules (including but not limited to Rule 14A.39).

Background of and reasons for the Framework Agreements

Immediately upon Completion of the Subscriptions(s), each of Swiree and Ms. Du, who will be interested, directly or indirectly, in more than 30% of the total issued share capital of the Company, will become a controlling shareholder of the Company. As at 31 March 2016, Ms. Du, Mr. Wong (who is the spouse of Ms. Du) and companies which were ultimately wholly owned by Ms. Du and/or Mr. Wong together held more than 30% of GOME's total issued share capital. Accordingly, immediately upon Completion of the Subscription(s), each member of the GOME Group by virtue of being an associate of Ms. Du, will become a connected person of the Company.

After the Transfer Closing and the Completion of the Subscription(s), the Group plans to expand its money lending business and targets to tap into the opportunity of granting the Connected Factoring Loans and the Connected Financial Leasing to the GOME Suppliers or the GOME Customers. Whilst the GOME Suppliers and the GOME Customers do not fall into the categories of connected persons of the Company as described in Rule 14A.07(1) to (5) of the Listing Rules, the Stock Exchange has deemed the Connected Factoring Loans and the Connected Financial Leasing to be continuing connected transactions of the Company under Rule 14A.20 of the Listing Rules on the ground that benefit may be conferred on the GOME Group from the granting of the commercial factoring loans and the financial leasing loans by the Group to the GOME Suppliers, or the GOME Customers. GOME Xinda has provided commercial factoring loans to certain GOME Suppliers, the granting of which is conditional upon the transfer of Accounts Receivable of such GOME Suppliers to GOME Xinda. Upon the Transfer Closing and the Completion of the Subscription(s), these commercial factoring loans will become the Connected Factoring Loans and constitute continuing connected transactions for the Company.

Loan making processes

The Group has established internal procedures and workflow in assessing, approving and monitoring loan applications, and loans granted, including but not limited to the Connected Factoring Loans and the Connected Financial Leasing.

All key management of the Group who are responsible for managing the Group's financial service business (which shall include the key management members of GOME Xinda upon the Transfer Closing) are independent from the GOME Group.

Further details of the procedures and workflow are explained below.

Loan application and due diligence

Upon the Transfer Closing and Completion of the Subscription(s), the Business Department of the Group will approach potential customers (including the GOME Suppliers and GOME Customers). The GOME Group may introduce GOME Suppliers to the Group by helping with the arrangement of meetings, seminars and training sessions between the Group and the GOME Suppliers. Borrowers, other than those which are GOME Suppliers who will transfer their Accounts Receivable due from the GOME Group to the Group, are required to apply for loans from the Group directly through the Business Department of the Group. The Company has not yet identified any GOME Suppliers and/or GOME Customers to whom the Group proposes to provide Connected Factoring Loans and/or Connected Financial Leasing. Before the Group enters into any Connected Factoring Loan or Connected Financial Leasing, the Group will require the potential borrower to confirm, and will endeavor to check, whether such potential borrower is a Shareholder. Should any implications under Rule 25 of the Takeovers Code arise from the granting of the Connected Factoring Loans, the Connected Financial Leasing and the unconnected loans, the Group will fully comply with the relevant requirements under Rule 25 of the Takeovers Code before granting such loans.

Upon the Transfer Closing and Completion of the Subscription(s), the borrowers which are GOME Suppliers who will transfer their Accounts Receivable due from the GOME Group to the Group may also apply for the Connected Factoring Loans via the Group's online lending platform (using the information system of GOME Xinda).

The Business Department of the Group will collect: (1) information on a borrower and the guarantor (if applicable) including his/their identification card(s) or passport(s) and proof(s) of residential address (where the borrower(s)/guarantor(s) is/are individual(s)) or its/their business licence(s) and constitutional document(s) (where the borrower(s)/guarantor(s) are entity(ies)), its/his/their proof(s) of social security account, telephone/mobile phone number, financial information, tax record(s) and other business or income source information, etc; (2) background check on a borrower's/guarantor's major shareholders; (3) information on the credit history of a borrower from the credit reference centres of PBOC or other institutions; and/or (4) information on the collateral/security, such as machinery or equipment in connection with financial leasing application or the Accounts Receivables to which the loan application relates and the underlying supply contract entered into by a borrower in connection with the Connected Factoring Loans, depending on the types of the loan application including an asset valuation report prepared by a professional valuer as approved by the Group and the sale and purchase contract and invoices in relation to the machinery or equipment in connection with financial leasing applications. The Group will carry out the above due diligence work independently of GOME, regardless of whether the borrower is a GOME Supplier or not.

The Business Department will categorize the borrowers into different grades according to their credit risk based on the above assessment and analysis of the loan applications and the internal risk grading system as approved by the Board principally with reference to their financial performance, nature and size of business, the business relationship with the Group, credit policy, repayment history, repayment ability, value and recoverability of collateral or other security. The Business Department will then present a report to the Risk Management Department of the Group which will set out a summary of its due diligence findings, the internal credit risk grading assigned to a borrower and the key terms of a loan tentatively set by the Business Department including the principal amount, interest rate, security arrangements and tenure of the loans.

The Business Department will not accept a loan application if a borrower and/or the security do not meet the Group's requirements based on the results of its due diligence finding including the repayment history and default risk of a borrower.

Review and approval

The Risk Management Department of the Group will review and analyse the report presented by the Business Department of the Group and may ask for further information and documents from the borrower if considered necessary. The Risk Management Department may also review other records of the borrower, such as past loan applications and outstanding loans with the Group.

With regard to those borrowers and security for loans which meet the Group's basic requirements, the Risk Management Department of the Group will tentatively assess the key terms of all loans including the Connected Factoring Loans and the Connected Financial Leasing. All loans will then be reviewed and approved by the Micro Finance Department of the Group. If the amount of the loan exceeds a certain threshold as set by the Board, the Risk Management Department will then present the report to the Board which sets out its recommendations on the key terms of the loans for the Board's review and approval.

Signing and closing

Once a loan application has been approved, a loan agreement will be entered into between the Group and the borrower.

After signing of the loan agreement and the meeting of other conditions, such as the transfer of an Accounts Receivable in the case of a disclosed factoring loan or purchase evidence in respect of a financial leasing, the Finance Department of the Group will then be responsible for transferring the funds to the borrower or the sellers of the goods in the case of certain financial leasing.

Collection and recovery

The Group adopts a standardized collection and recovery procedure. The Finance Department of the Group is responsible for collecting the repayment funds from a borrower. However, if a borrower defaults or delays in repaying any of the outstanding sums, the Finance Department will inform the Business Department of the Group which will be responsible for following up and collecting the repayment funds from the borrower. In the case of a proposed extension of a loan, such proposal will be regarded as a new loan application subject to the due diligence and approval process described above. In accordance with the terms of the relevant loan agreement, the Group, among other remedies, will be entitled to charge default interest on the total outstanding balance of the principal amount of a loan and the interest payments accrued thereto. If a borrower fails to repay the loan including any part of the principal amount and/or accrued interest, the Group may initiate legal proceedings against such borrower to enforce the Group's right to recover the outstanding sums from such borrower after the Group have sought to recover the outstanding sums through other means but to no avail.

Terms of a loan

The Group's policy for determining the principal amount of a loan (including the Connected Factoring Loan or the Connected Financial Leasing) is set out below:

1. terms of a loan shall be determined in accordance with the Group's pricing policy (which covers the range of interest rates and the term and credit limit of a loan) applicable to both connected and unconnected loans as formulated and updated by the Micro Finance Department every quarter, with reference to the terms of comparable types of products offered by identified major competitors of the Group, such terms to which the Company may have access through publicly available sources and other market research by the Group and the terms of comparable types of financial leasing products offered by other finance companies that had previously cooperated with the GOME Group in providing financial leasing services to the GOME Customers, the credit risk grading of the borrower (which, among other factors, is to be assessed based on the business relationship between the borrower and the Group and the repayment history of the borrower as described in the paragraph headed "Loan application and due diligence" above), the trend of the premium of the market interest rate over the twelve month lending rate as published by PBOC from time to time, the interest rate cap of any private lending under the applicable PRC laws (being 24% per annum) and the Group's funding cost as affected by the financial market liquidity and approved by the Board;
2. the credit risk grading of the borrower as assessed by the Risk Management Department of the Group, based on the system and guidelines approved by the Board; and

3. in the case of a Connected Factoring Loan or a Connected Financial Leasing, the terms of which shall be on normal commercial terms negotiated on an arm's length basis in the ordinary and usual course of business and shall not be less favourable to the Company as compared to the terms of comparable transactions (in terms of similar credit risk and term) to be entered into by the Group with third parties which do not constitute connected transactions.

In accordance with the applicable PRC law, the interest rates (and other charges) charged for private lending in the PRC may not exceed a certain threshold as determined by the PRC Supreme Court.

GOME Xinda

Since GOME Xinda commenced its commercial factoring business in July 2015, GOME Xinda has been granting all factoring loans on a disclosed basis. It has been charging all borrowers who are the GOME Suppliers and using accounts receivable due from the GOME Group a uniform daily interest rate ranging from 0.024% to 0.03% of the principal amount of the Connected Factoring Loans. It was considered that the default risk of the related loans all fall under the same risk profile as they are all secured by accounts receivable due from the GOME Group on a disclosed basis and the Group will be able to request payment from the GOME Group under the accounts receivable. This is consistent with the pricing approach as described above. The interest rates charged by GOME Xinda are comparable to the market rates offered by its competitors which also provide online commercial factoring services to suppliers of retailers in the PRC.

The Company understands from GOME Xinda that GOME Xinda has adopted a robust risk management policy and will make sure that GOME Xinda will adopt the lending policy and procedures as described above after the Transfer Closing.

As at the Latest Practicable Date, none of GOME Xinda and the immediate, intermediate and ultimate shareholders of GOME Xinda held any Shares.

Historical transaction amounts

As at and up to the Latest Practicable Date, the Group had not granted any factoring loan or financial leasing loan which is related or associated with the GOME Group.

The Company understands from GOME Xinda that during the period from 21 July 2015 (being the date of incorporation of GOME Xinda) to 31 January 2016, GOME Xinda has granted disclosed factoring loans to 158 borrowers in total, of whom 157 borrowers were the GOME Suppliers and one borrower was not a GOME Supplier (the “**Non-GOME Supplier**”). As at the Latest Practicable Date, the Non-GOME Supplier was owned as to approximately 94% by Beijing Centergate Technologies (Holding) Co., Ltd.* (北京中關村科技發展(控股)股份有限公司) (stock code: 000931) (“**Centergate**”), a company incorporated under the laws of the PRC whose shares are listed on the Shenzhen Stock Exchange which in turn was owned as approximately 24% by GOME Holdings.

The Company has enquired each of the 158 borrowers as to whether they or their respective owners (immediate/intermediate/ultimate) are Shareholders. The 158 borrowers have confirmed that none of them is Shareholder but they were not able to confirm whether their respective owners are Shareholders as the 158 borrowers do not have such information. The Company has checked the names of the 158 borrowers against the Company’s register of shareholders and confirms that none of their names appear on the Company’s register of shareholders.

The Company has checked, to the extent publicly available, the shareholding information of each of the 158 borrowers through the website “全國企業信用信息公示系統” (<http://gsxt.saic.gov.cn/>). The Company has checked the owners (immediate/intermediate/ultimate) of the 158 borrowers (to the extent available in the abovementioned website) against the Company’s register of shareholders and confirms that none of their names appear on the Company’s register of shareholders. The website “全國企業信用信息公示系統” is governed under the relevant laws and regulations of “Regulation of the People’s Republic of China on the Disclosure of Government Information” and “Interim Regulation on Enterprise Information Disclosure”. It provides information about national enterprises, farmers’ professional cooperatives, individual industrial and commercial entities.

In the case where any of the 158 borrowers’ respective owners are listed companies (the “**Listed Owners**”), the Company has requested the relevant borrowers to provide their list of shareholders. However, the relevant borrowers were not willing to provide such information due to confidentiality reasons. Based on publicly available information, the Company is only able to ascertain the identities of and obtain information about the top 10 shareholders of the Listed Owners listed on various stock exchanges in the PRC and the substantial shareholders of the Listed Owners listed on the Stock Exchange. The Company has checked the top 10 shareholders (in the case of PRC companies) and the substantial shareholders (as defined in the SFO) (in the case of Hong Kong companies) as disclosed by the Listed Owners against the Company’s register of Shareholders and confirm that none of their names appear on the Company’s register of shareholders.

In the case of the Non-GOME Supplier, the Company has requested Centergate to provide its list of shareholders. However, Centergate was not willing to provide such information due to confidentiality reasons. Based on publicly available information, the Company is only able to ascertain the identities of and obtain information about the top 10 shareholders of Centergate. According to such public information, GOME Holding is the largest shareholder of Centergate. Swiree has confirmed to the Company that GOME Holding and its beneficial owners are not Shareholders. The Company has used its best endeavours to reach out to the other top 9 shareholders list where it can establish a contact and one of them has confirmed to the Company that it has no shareholding in the Company. The Company has checked the other top 9 shareholders of Centergate against the Company's register of Shareholders and confirm that none of their names appear on the Company's register of shareholders.

The Company has also enquired all directors and senior staff members of the Group, who are also Shareholders, as to whether he/she or his/her associates have any direct or indirect ownership interest in any of the 158 borrowers, and each of such directors and senior staff members have confirmed that none of them nor their respective associates have any direct or indirect ownership interest in any of the 158 borrowers.

Based on the above checking and enquiry, the Company, based on its best endeavours, is not aware that any of the 158 borrowers or their respective owners (immediate/intermediate/ultimate) holds any Shares as at the Latest Practicable Date.

As confirmed by GOME Xinda, the terms of the loans granted to the 157 borrowers who were the GOME Supplier and the Non-GOME Supplier were on normal commercial terms which were based on arm's length negotiation and the credit assessment and lending policy of GOME Xinda that applies to all borrowers. Provision of commercial factoring loans is GOME Xinda's ordinary course of business. After the Transfer Closing, GOME Xinda shall apply the same parameters in granting loans to all borrowers.

During the period from 21 July 2015 (being the date of incorporation of GOME Xinda) to 31 January 2016, the unaudited total revenue of GOME Xinda amounted to approximately RMB713,000. As at 31 January 2016, the unaudited total loan receivable of GOME Xinda amounted to approximately RMB183.7 million.

Proposed Annual Caps

As stated in the Factoring Service Framework Agreement and the Financial Leasing Service Framework Agreement, the aggregate principal amount of any outstanding Connected Factoring Loans and Connected Financial Leasing which may be granted by the Group for the three financial years ending 31 March 2019 are subject to the following proposed annual caps:

	For the financial year ending 31 March		
	2017 (Note)	2018	2019
Connected Factoring Loans	RMB600 million	RMB600 million	RMB600 million
Connected Financial Leasing	RMB100 million	RMB120 million	RMB120 million

Note:

It covers the period commencing from the date of the Completion of the Swiree Subscription to 31 March 2017.

Pursuant to the Factoring Service Framework Agreement and the Financial Leasing Service Framework Agreement, the Company will also be subject to the Asset and Revenue Limits. In order to stay within the Asset and Revenue Limits anytime during the financial year, the Group has to make actual loans which are not Connected Factoring Loans or Connected Financial Leasing (the “**Unconnected Loan(s)**”) from time to time. To illustrate the concept, the Group will have to make an Unconnected Loan which will generate revenue of HK\$1 before the Group can make a connected loan which will generate revenue of HK\$1, i.e. the Group will not make any connected loan until the Group can generate sufficient revenue from Unconnected Loans during the relevant financial year.

The above proposed annual caps are determined principally by reference to the following factors:

1. the historical revenue of the GOME Group (inclusive of the companies which GOME acquired in March 2016) which amounted to approximately RMB81.4 billion for the financial year ended 31 December 2014 as disclosed in GOME’s circular dated 24 December 2015;
2. the historical balance of trade payables of the GOME Group (inclusive of the companies which GOME acquired in March 2016) which amounted to approximately RMB9.8 billion as at 31 December 2014 as disclosed in GOME’s circular dated 24 December 2015;
3. the demand from the GOME Customers on financial leasing services as estimated with reference to, based on the information available to the Company, the aggregate principal amount of financial leasing loans granted to the GOME Customers by other finance companies relating to purchases by the GOME Customers from the GOME Group for the financial year ended 31 December 2015 of approximately RMB150 million;
4. the estimated potential market size and demand from the GOME Suppliers of approximately RMB2 billion based on the Company’s understanding that the target borrowers will mainly be small-to-medium enterprises which, based on the information available to the Company, together contributed to approximately 20% of the aggregate audited trade payables of the GOME Group (inclusive of the companies which GOME acquired in March 2016) as at 31 December 2014;

5. the aggregate sum of the proceeds from the Subscription(s) of HK\$350 million (equivalent to approximately RMB297.87 million) which, among other sources of financing which may be available from time to time, will be used to finance the expansion of the portfolio of Connected Factoring Loans and the internal financial resources of GOME Xinda (which had unaudited cash and loan receivables of approximately RMB48 million and RMB183.7 million respectively as at 31 January 2016);
6. the amount of the proceeds from the Subscription(s) of HK\$150 million (equivalent to approximately RMB127.66 million) will be used to increase the capital to finance the expansion of the portfolio of Connected Financial Leasing; and
7. the assumption that the size of the Group's Connected Factoring Loan portfolio for years 2017, 2018 and 2019 will be substantially the same.

Internal control and risk management policy of the Group

The Group has set up different departments with sufficient and appropriate segregation of duties and authorities in all the business processes. The Group has also established an internal audit department to detect any control errors/deficiency reporting to the Board and, the Board will be closely involved in the policy setting and management process to ensure an effective supervision and proper business conducts.

The responsibilities of the departments involving in the key loan making processes are as follows:

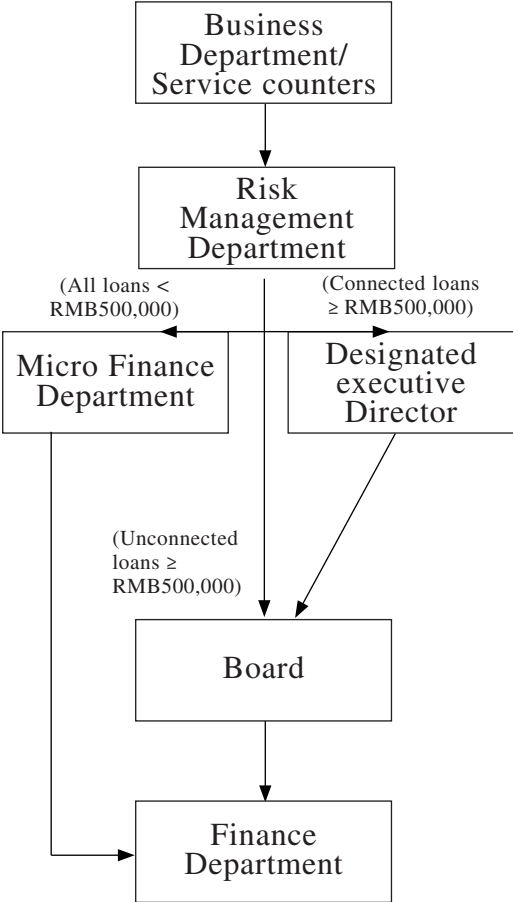
Department/Personnel	Roles
Business Department/Service counter	<ul style="list-style-type: none"> – liaising and contacting the borrowers – initial screening and due diligence – collection of overdue loans
Risk Management Department	<ul style="list-style-type: none"> – reviewing loan applications and assessing the terms of each loan and any security arrangement – formulating credit control/risk management policy to be considered and approved by the Board – recommending to the Board the credit control/risk management policy
Micro Finance Department	<ul style="list-style-type: none"> – approving loan applications within the thresholds approved by the Board
Finance Department	<ul style="list-style-type: none"> – releasing of funding to borrowers – monitoring collection of the loans and carrying out necessary follow up work

Internal Audit Department	<ul style="list-style-type: none"> – formulating internal audit plan in accordance with the result of risk assessment – carrying out review and checking to evaluate the effectiveness in risk management
Board	<ul style="list-style-type: none"> – setting the interest rates terms and credit limit applicable to different types of loans – approving credit control/risk management/loan approval policy – approving larger loan applications beyond the approval threshold of the Micro Finance Department
Audit Committee	<ul style="list-style-type: none"> – reviewing the internal audit function and the continuing connected transactions

As at the Latest Practicable Date, and after the Transfer Closing and the Completion of the Subscription(s), none of the Group's staff involving in the loan review, approval and execution processes will hold any position at the GOME Group. Mr. Ding Donghua who will oversee the factoring segment together with Mr. Chung Tat Fun and Mr. Leung Yuen Ming, Henry after the Completion of the Subscription(s), will resign from his position at GOME Finance immediately before his appointment to the Board. Each of the existing Directors and the proposed Directors will undertake to the Company that he/she has not entered into any agreement, arrangement or understanding whether formal or informal, written or unwritten, with Swiree, Ms. Du or their respective associates (as defined in the Listing Rules) (including Mr. Wong) that he/she is required to take instructions from Swiree, Ms. Du or their respective associates (as defined under the Listing Rules) (including Mr. Wong).

In addition, after the Transfer Closing, the Company will keep track of the amounts of Accounts Receivables and the credit periods based on which the principal amounts of the factoring loans and the tenure of the factoring loans are determined. Pursuant to existing factoring agreements between GOME Xinda and its borrowers, the parties to an underlying supply contract may only amend the terms of the supply contract including the amount of the Accounts Receivable and the credit period with GOME Xinda's prior consent. The Company will ensure that a similar provision will be included in every factoring agreement to be entered into between the Group and its borrowers (including the Individual Factoring Agreement) after the Transfer Closing.

Set out below is a chart showing the reporting hierarchy within the Group in respect of loan approval:



- Business Department/Service counters**
 - receive loan application
 - initial screen loan application

- Risk Management Department**
 - review and check loan application initially screened by the Business Department or service counters

- Designated executive Director**
 - review and check connected loan application of RMB500,000 or more

- Micro Finance Department**
 - approve loan application under RMB500,000 (both connected and unconnected loans)

- Board**
 - approve loan application of RMB500,000 or more

- Finance Department**
 - review and check all connected loan application are within the Connected Loan Limits
 - release of funds for all approved loan application

The Group will also designate an executive Director to monitor the Assets and Revenue Limits imposed on the amount of Connected Factoring Loans and Connected Financial Leasing and ensure that such limits are not exceeded. The Finance Department will prepare a schedule showing the indicative maximum amounts of new Connected Factoring Loans and Connected Financial Leasing which can be made each month without exceeding the Asset and Revenue Limits based on the actual loans made. The monthly schedule shall include, among other things, (i) the latest published total assets of the Company; (ii) the actual total outstanding principal amount as at the latest practicable date for the purpose of preparing the monthly schedule (with a breakdown of the principal amounts of connected and unconnected loans granted by the Group); (iii) the total revenue of the Group that would be recorded in the current financial year based on the actual loan portfolio up to the latest practicable date for the purpose of preparing the monthly schedule (with a breakdown of the principal amounts of connected and unconnected loans); and (iv) the maximum amount for connected loans that can be granted by the Group in the following month without exceeding the Asset and Revenue Limits. The designated executive Director will be responsible for reviewing the above schedule and determining the quota for the making of connected

loans that month principally based on the actual loans made and the indicative amounts set out in the monthly schedule described above. The head of the Micro Finance Department will be responsible for allocating the monthly quota in respect of connected loans to individual sale teams/service counters at GOME retail stores. The Business Department (including the sale teams/service counters) and the Risk Management Department will then be informed of their respective quota limits. The individual sale teams/service counters will not be allowed to grant any connected loans over their respective allocated quota.

If a Connected Factoring Loan or Connected Financial Leasing that is equal to or exceeds the internal threshold, i.e. currently RMB500,000, set by the Board from time to time (applicable to all loans including both connected and unconnected loans) (the “**Threshold**”), the Risk Management Department will submit such connected loan application to the designated executive Director for review and checking. The designated executive Director will obtain the latest available unutilised proposed annual cap amount for the relevant connected loan and Asset and Revenue Limits for the relevant financial year and latest available unutilized monthly quota from the Finance Department (collectively, the “**Connected Loan Limits**”) to ensure that these limits will not be exceeded if such connected loan is granted. After the designated executive Director has conducted the above checks and confirmed that the granting of such connected loan will not result in any of the Connected Loan Limits being exceeded, the designated executive Director will then submit such loan application to the Board for approval. If after conducting the above checks, the executive Director considers that the granting of such connected loan may result in any of the Connected Loan Limits being exceeded, the designated executive Director will reject such connected loan application.

In respect of a Connected Factoring Loan and a Connected Financial Leasing that is below the Threshold, the same procedures apply, except that such connected loan will be reviewed and approved by the Micro Finance Department.

After a Connected Factoring Loan/Connected Financial Leasing is approved, the Finance Department will be responsible for second reviewing and checking that the amounts of such connected loans, if granted, are within the Connected Loan Limits before releasing the relevant funds to the relevant loan applicants. As such, the Group will not grant any connected loan, if granting such loan will lead to any of the Connected Loan Limits being exceeded.

The Company intends to disclose (i) the size of the connected and unconnected loan portfolios; and (ii) the respective revenues derived from these portfolios in its annual results announcements and interim results announcements after Completion of the Subscriptions.

Based on the above, the Directors consider that the internal control procedures are adequate and sufficient to ensure that the proposed annual caps (including (i) the aggregate principal amount of any outstanding connected loans to not more than 40% of the Group’s latest published total assets; and (ii) the aggregate revenue generated from the connected loans to not more than 50% of the Group’s total revenue in each financial year) will not be exceeded.

The Directors (excluding the members of the CCT IBC who will express their view after receiving advice from the Independent Financial Adviser) consider that each of the Framework Agreements is entered into in the ordinary course of business of the Group and the terms of the Framework Agreements and the proposed annual caps thereunder are on normal commercial terms, fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Information on the Group

The Group is principally engaged in the provision of financial services, including the provision of commercial factoring services, real estate-backed loan services, personal property pawn loan services, other loans services, financial leasing services, and financial consulting services in the PRC and money lending services in Hong Kong.

Information on Swiree

Swiree is an investment holding company incorporated in the British Virgin Islands with limited liability and is wholly-owned by Ms. Du, the spouse of Mr. Wong (who is the controlling shareholder of GOME). GOME and its subsidiaries are principally engaged in the operation and management of networks of electrical appliances, consumer electronic products retail stores and electronic products on-line sales in the PRC. As disclosed in GOME's circular dated 24 December 2015 and the GOME's announcements dated 22 January 2016 and 31 March 2016 respectively, GOME acquired a company from GOME Management Ltd., which is an associate (as defined in the Listing Rules) of Mr. Wong, its controlling shareholder, and which through such associate's subsidiaries, is also engaged in the retail sale of electrical appliances and consumer electronic products under the trademark "GOME Electrical Appliances" and related operations mainly in cities other than the cities of the PRC in which GOME and its subsidiaries already operate. As confirmed by Swiree, GOME Management Ltd. did not hold any Shares or other relevant securities of the Company as at the Latest Practicable Date. The Company understands from Swiree that Mr. Wong, through companies which he or his family members have interests, also owns a number of companies in the PRC which are engaged in microfinance, consumer credit and online finance services.

Implications under the Listing Rules

Based on the proposed annual caps of the transactions contemplated under the Framework Agreements and the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules, the transactions contemplated under the Framework Agreements are subject to the reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The CCT IBC comprising all the independent non-executive Directors, namely Mr. Poon Wai Hoi, Percy, Mr. Tang Chi Ho, Francis and Ms. Lee Shiow Yue has been established to give recommendation to the Independent Shareholders in respect of the terms of the Framework Agreements and their respective proposed annual caps thereunder.

Somerley Capital Limited has been appointed as the Independent Financial Adviser to advise the CCT IBC and the Independent Shareholders in respect of the Framework Agreements. Such appointment has been approved by the CCT IBC.

Any Shareholders who have a material interest in the Framework Agreements shall abstain from voting on the resolutions in relation thereto to be proposed at the SGM. As at the date of this announcement, none of the Shareholders had a material interest in the Framework Agreements and the transactions contemplated thereunder. Accordingly, no Shareholders will be required to abstain from voting on the resolutions in relation to the Framework Agreements to be proposed at the SGM.

DESPATCH OF CIRCULAR

The Board is pleased to announce that the circular (the “**Circular**”) containing, among other things, (i) further details of the Subscriptions, the Whitewash Waiver and the Framework Agreements; (ii) a letter of recommendation from the CCT IBC to the Independent Shareholders in respect of the Framework Agreements; (iii) a letter of recommendation from the Whitewash IBC to the Independent Shareholders in respect of the Subscriptions and the Whitewash Waiver; (iv) a letter of advice from the independent financial adviser to the CCT IBC, the Whitewash IBC and the Independent Shareholders in relation to the Subscriptions, the Whitewash Waiver and the Framework Agreements; (v) a notice of the SGM; and (vi) other information as required under the Takeovers Code and the Listing Rules, for the purpose of the SGM, has been despatched to the Shareholders on 5 August 2016.

The SGM will be convened and held at Suite 1502, 15/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on 22 August 2016, Monday, at 10:30 a.m., details of which are set out in the notice of SGM contained in the Circular.

DEFINITIONS

“Best Global Subscription Agreement”	the subscription agreement entered into between the Company and Best Global on 29 November 2015 in respect of the Best Global Subscription (as amended by the First Best Global Supplemental Agreement and the Second Best Global Supplemental Agreement)
“CCT IBC”	an independent committee of the Board comprising all the independent non-executive Directors, namely Mr. Poon Wai Hoi, Percy, Mr. Tang Chi Ho, Francis and Ms. Lee Shiow Yue, to advise the Independent Shareholders in respect of the Framework Agreements and their respective proposed annual caps

“Connected Factoring Loans”	commercial factoring loans granted by the Group to GOME Suppliers which are conditional upon transfer of the relevant trade receivables of such GOME Suppliers to the Group
“Connected Financial Leasing”	financial leasing loans to be granted by the Group to GOME Customers to finance the purchase of goods by such GOME Customers
“continuing connected transaction(s)”	has the same meaning as ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning as ascribed to it under the Listing Rules
“Factoring Service Framework Agreement”	the factoring service framework agreement entered into between the Company and Swiree on 5 August 2016 in respect of provision of factoring services by the Group (which shall include GOME Xinda upon the Transfer Closing) to the GOME Suppliers
“Financial Leasing Service Framework Agreement”	the financial leasing service framework agreement entered into between the Company and Swiree on 5 August 2016 in respect of provision of financial leasing services by the Group to the GOME Customers
“First Best Global Supplemental Agreement”	the first supplemental agreement to the Best Global Subscription Agreement entered into between the Company and Best Global on 18 February 2016
“First Richlane Supplemental Agreement”	the first supplemental agreement to the Richlane Subscription Agreement entered into between the Company and Richlane on 18 February 2016
“First Swiree Supplemental Agreement”	the first supplemental agreement to the Swiree Subscription Agreement entered into between the Company and Swiree on 18 February 2016
“First Supplemental Agreement(s)”	collectively, the First Swiree Supplemental Agreement, the First Richlane Supplemental Agreement and the First Best Global Supplemental Agreement, or any of them as the context may require

“Framework Agreement(s)”	collectively, the Factoring Service Framework Agreement and the Financial Leasing Service Framework Agreement, or either of them as the context may require
“GOME Customer(s)”	wholesale and/or retail customer(s) of the GOME Group
“GOME Finance”	GOME Finance Holding Investment Co., Ltd.* (國美金控投資有限公司), a company incorporated in the PRC with limited liability and wholly-owned by GOME Group Holdings Co., Ltd.* (國美控股集團有限公司), which in turn is ultimately beneficially wholly-owned by Mr. Wong
“GOME Group”	GOME and its subsidiaries
“GOME Holdings”	GOME Group Holdings Co., Ltd. * (國美控股集團有限公司), a company incorporated in the PRC with limited liability and wholly-owned by Beijing Eagle Investment Co., Ltd* (北京鵬潤投資有限公司)
“GOME Supplier(s)”	supplier(s) of the GOME Group
“Group”	the Company and its subsidiaries from time to time
“Independent Shareholders”	<p>(i) as regards the Subscriptions (including the Specific Mandates) and the Whitewash Waiver, Shareholders other than: (a) the Subscribers and their respective associates (including but not limited to Mr. Ko, Ms. Ko, Peninsula Resources Limited, Rockstead Technology Limited, Omnicorp Limited and Ms. Yu) and parties acting in concert with any of them; (b) Mr. Chung Tat Fun and his associates (including but not limited to Light Tower Holding Limited) and parties acting in concert with any of them; (c) Varitronix; and (d) any other Shareholder who is interested or involved in any of the Subscriptions and/or the Whitewash Waiver</p> <p>(ii) as regards the Framework Agreements, Shareholders other than any Shareholder who has a material interest in the Framework Agreements</p>

“Latest Practicable Date”	1 August 2016, being the latest practicable date prior to the printing of the Circular for ascertaining certain information contain therein
“PBOC”	the People’s Bank of China
“Richlane Subscription Agreement”	the subscription agreement entered into between the Company and Richlane on 29 November 2015 in relation to the Richlane Subscription (as amended by the First Richlane Supplemental Agreement and the Second Richlane Supplemental Agreement)
“Second Best Global Supplemental Agreement”	the second supplemental agreement to the Best Global Subscription Agreement entered into between the Company and Best Global on 5 August 2016
“Second Richlane Supplemental Agreement”	the second supplemental agreement to the Richlane Subscription Agreement entered into between the Company and Richlane on 5 August 2016
“Second Swiree Supplemental Agreement”	the second supplemental agreement to the Swiree Subscription Agreement entered into between the Company and Swiree on 5 August 2016
“Second Supplemental Agreement(s)”	collectively, the Second Swiree Supplemental Agreement, Second Richlane Supplemental Agreement and Second Best Global Supplemental Agreement, or any of them as the context may require
“SGM”	a special general meeting of the Company to be convened and held at Suite 1502, 15/F, Far East Finance Centre, 16 Harcourt Road, Admiralty, Hong Kong on 22 August 2016, Monday, at 10:30 a.m. for the Shareholders to consider and, if thought fit, approve, among others, the Subscriptions, the Specific Mandates, the Whitewash Waiver, each of the Framework Agreements and the respective proposed annual caps thereunder
“Swiree Subscription Agreement”	the subscription agreement entered into between the Company and Swiree on 29 November 2015 in respect of the Swiree Subscription (as amended by the First Swiree Supplemental Agreement and the Second Swiree Supplemental Agreement)

“Whitewash IBC”

an independent committee of the Board comprising all the non-executive Directors, namely Mr. So Chak Fai, Francis and Ms. Wong Yee Shuen, Regina, and all the independent non-executive Directors, namely Mr. Poon Wai Hoi, Percy, Mr. Tang Chi Ho, Francis and Ms. Lee Shiow Yue, to advise the Independent Shareholders on the terms of the Subscriptions (including the Specific Mandates) and the Whitewash Waiver

“Whitewash Waiver”

a waiver to be obtained from the Executive pursuant to Note 1 on Dispensations from Rule 26 of the Takeovers Code in respect of the obligations of Swiree to make a mandatory general offer for all of the issued Shares and other securities of the Company not already owned or agreed to be acquired by Swiree and parties acting in concert with it which would otherwise arise as a result of the Completion of the Swiree Subscription or the Completion of all of the Subscriptions (as the case may be)

The translation of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.175, and are provided for information purposes only.

For and on behalf of
Sino Credit Holdings Limited
Chung Tat Fun
Chairman

Hong Kong, 5 August 2016

As at the date of this announcement, the Company's executive Directors are Mr. Chung Tat Fun (Chairman), Mr. Chung Ho Chun, Mr. Fu Ear Ly and Mr. Huang Weibo; the non-executive Directors are Mr. So Chak Fai, Francis and Ms. Wong Yee Shuen, Regina; and the independent non-executive Directors are Mr. Poon Wai Hoi, Percy, Mr. Tang Chi Ho, Francis and Ms. Lee Shiow Yue.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Subscribers) and confirm having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscribers) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

The sole director of Swiree, Ms. Du Juan (杜鵑), accepts full responsibility for the accuracy of the information relating to the Subscribers contained in this announcement and confirms that having made all reasonable inquiries, to the best of her knowledge, opinions expressed by the Subscribers in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.

** For information purpose only*