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(Stock Code: 431)

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PLACING OF UNLISTED WARRANTS UNDER GENERAL MANDATE

Placing Agent



PLACING OF UNLISTED WARRANTS

The Board announced that on 14 May 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company agreed to grant and the Placing Agent agreed to act as the agent for the Company during the Placing Period to procure not less than six Placers to subscribe up to 71,889,422 Warrants, on a best effort basis, at the Placing Price of HK\$0.59 per Warrant. The Subscription Price is HK\$4.56 per Warrant Share (subject to adjustment pursuant to the Instrument). Each Warrant carries the right to subscribe for one Warrant Share (subject to adjustment) at the Subscription Price.

As at the date of this announcement, the Company has a total of 359,447,114 Shares in issue. Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the Subscription Price, upon the full exercise of the subscription rights attaching to the Warrants, a maximum number of 71,889,422 Warrant Shares will be issued, which represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital as enlarged by the issue of all the Warrant Shares.

The Warrant Shares will be allotted and issued under the General Mandate.

USE OF PROCEEDS

The maximum net proceeds from the Placing (without taking into account the exercise of the subscription rights attaching to the Warrants) will be approximately HK\$39.8 million, which will be used for the expansion of the Group's financing related business (including but not limited to pawn business and financial leasing services etc.) and for the general working capital of the Group.

* For identification purposes only

The Company will receive additional gross proceeds of approximately HK\$327.8 million upon exercise in full of the subscription rights attaching to the Warrants (assuming that all 71,889,422 Warrants have been exercised in full and 71,889,422 new Shares have been issued). The Company intends to apply such proceeds for the expansion of the Group's financing related business (including but not limited to pawn business and financial leasing services, etc.) and for the general working capital of the Group.

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, but the Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants.

Shareholders and potential investors should be aware of and take note that the Completion is subject to the fulfillment of the conditions precedent set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

THE PLACING AGREEMENT

Date: 14 May 2015 (after trading hours)

Parties

(i) Issuer:	The Company
(ii) Placing Agent:	Orient Securities (Hong Kong) Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Securities to be granted

Subject to the fulfillment of the conditions precedent to the Placing Agreement, the Company has agreed to grant, and the Placing Agent has agreed to act as the agent during the Placing Period to procure not less than six Placees to subscribe up to 71,889,422 Warrants, on a best effort basis, at the Placing Price of HK\$0.59 per Warrant.

Each of the Warrants carries the right to subscribe for one Warrant Share at the Subscription Price of HK\$4.56 per Warrant Share (subject to adjustment pursuant to the Instrument).

Placing Commission

The Placing Agent will receive a placing commission of 5% of the amount equal to the Placing Price multiplied by the number of Warrants which the Placing Agent has successfully procured the Placee(s) to subscribe for at the end of the Placing Period. Such placing commission was determined after arm's length negotiations between the Company and the Placing Agent. The Directors are of the view that the placing commission is fair and reasonable.

Conditions precedent

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

- (1) the Listing Committee granting or agreeing to grant the approval for the listing of and permission to deal in the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants; and
- (2) the Bermuda Monetary Authority and other governmental or regulatory authority granting approval for the issue and allotment of the Warrant Shares which may fall to be allotted and issued upon the exercise of the subscription rights attaching to the Warrants pursuant to the Placing (if required).

The above conditions cannot be waived by any parties to the Placing Agreement. If the conditions have not been satisfied at or prior to 5:00 p.m. on 30 May 2015 or such later date as may be agreed, the Placing Agreement will be terminated; and neither party shall have any claim against the other save for any antecedent breaches of the terms of the Placing Agreement and the fees, commissions, brokerage and expenses incurred in connection with the Placing.

Termination

If at any time between the date of the Placing Agreement and at or before 9:00 a.m. on the date of Completion, there occurs:

- (a) the Company commits any material breach of or omits to observe any of its obligations or undertakings under the Placing Agreement of which in the reasonable opinion of the Placing Agent, this will constitute a material adverse change in the financial or trading position or prospects of the Company or will have a material prejudicial effect on the Placing; or
- (b) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect.

Completion

Completion shall take place at 4:00 p.m. on the third Business Day after fulfillment of the conditions of the Placing and the performance by the Placing Agent of its completion obligations set out in the Placing Agreement (or such later date as may be agreed between the Company and the Placing Agent in writing).

PLACEES

The Warrants shall be offered by the Placing Agent, on a best effort basis, to not less than six Placees, each of them will be either an individual, professional or an institutional investor and is an Independent Third Party.

PRINCIPAL TERMS OF THE UNLISTED WARRANTS

Number of Warrants

Pursuant to the Placing Agreement, the Company has conditionally agreed to grant up to 71,889,422 Warrants during the Placing Period at the Placing Price to not less than six Placées and the Warrants will be in registered form and constituted by the Instrument.

The Warrants will rank pari passu in all respects among themselves.

Placing Price

The Placing Price is HK\$0.59 per Warrant, which was determined with reference to a valuation conducted by an independent valuer on 14 May 2015 of approximately HK\$0.59 per Warrant.

Number of Warrant Shares issuable

As at the date of this announcement, the Company has a total of 359,447,114 Shares in issue. Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the Subscription Price, upon the full exercise of the subscription rights attaching to the Warrants, a maximum number of 71,889,422 Warrant Shares will be issued, which represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital as enlarged by the issue of all the Warrant Shares.

Assuming the 71,889,422 Warrant Shares will be issued in full, the aggregate nominal value of the Warrant Shares is HK\$359,447.11.

Subscription Price

The Subscription Price of HK\$4.56 represents:

- i. the closing price of HK\$4.56 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- ii. a premium of approximately 4.40% over the average of the closing prices of HK\$4.368 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The aggregate of the Placing Price and the Subscription Price of HK\$5.15 represents:

- i. a premium of approximately 12.94% over the closing price of HK\$4.56 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- ii. a premium of approximately 17.90% over the average of the closing prices of HK\$4.368 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the Last Trading Day.

The initial Subscription Price of the Warrants is only subject to the adjustments in the following events:

- (1) share consolidation and share subdivision;

- (2) the Company issuing Shares credited as fully paid by way of capitalisation of profits or reserves;
- (3) the Company making any capital distribution to Shareholders or shall grant to the Shareholders rights to acquire for cash assets of the Company or any of its subsidiaries;
- (4) the Company offering to all Shareholders new Shares for subscription by way of rights issue, or shall grant to all Shareholders any options or warrants to subscribe for new Shares, at a price per new Share which is less than 90% of the market price at the date of the announcement of the terms of the offer or grant;
- (5) the Company or any other company shall issue wholly for cash any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares, and the aggregate consideration receivable by the Company for such securities for the issue thereof plus the additional minimum consideration (if any) to be received by the issuer and/or the Company (if not the issuer) upon (and assuming) the full conversion or exchange thereof or the exercise in full of the subscription rights attaching thereto per new Share initially receivable for such securities is less than 90% of the price which is the market price at the date of the announcement of the terms of issue of such securities;
- (6) the Company issuing wholly for cash any Shares (other than Shares issued pursuant to any share option scheme approved by the Shareholders in general meeting in accordance with the Listing Rules) at a price per Share which is less than 90% of the market price at the date of the announcement of the terms of such issue; and
- (7) the Company repurchasing its Shares or securities convertible into Shares or any rights to acquire Shares (excluding any such purchase made on the Stock Exchange or any recognised stock exchange, being a stock exchange recognised for this purpose by the Securities & Futures Commission or equivalent authority and the Stock Exchange).

Both the Placing Price and the Subscription Price are determined after arm's length negotiations between the Company and the Placing Agent, taking into account the recent trading prices of the Shares. The Board is of the opinion that the Placing Price and the Subscription Price are fair and reasonable and in the best interests of the Company.

Subscription period

The subscription rights attaching to the Warrants can be exercised at any time during the Subscription Period.

The Company has the right to request any Warrant holders who hold any unexercised Warrants on the expiry of the Subscription Period to fully exercise the subscription rights attaching to these unexercised Warrants.

Application for the Listing

No listing of the Warrants will be sought on the Stock Exchange or any other stock exchanges, but the Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Warrant Shares which may fall to be allotted and issued upon exercise of the subscription rights attaching to the Warrants.

Ranking of the Warrant Shares

The Warrant Shares, when issued and fully paid, will rank pari passu in all respects with the existing issued Shares as at the date of allotment of the Warrant Shares.

Transferability

The subscription rights conferred by a Warrant are transferable in integral multiples of such units of Warrants carrying subscription rights entitling the holder(s) of the Warrants to subscribe for one whole Share in accordance with the terms of the instrument of transfer in the usual or common form or in any other form which may be approved by the Directors.

Voting rights of the Warrants

The holder(s) of the Warrants will not have any right to attend or vote at any meeting of the Company by virtue of them being the holders of the Warrants. The holder(s) of the Warrants shall not have the right to participate in any distributions and/or offers of further securities made by the Company.

GENERAL MANDATE TO ISSUE THE WARRANT SHARES

The Warrant Shares will be issued pursuant to the General Mandate. Immediately prior to entering into the Placing Agreement, no Shares have been issued pursuant to the General Mandate. The total number of new Shares which can be issued under the General Mandate is 71,889,422 new Shares. Thus, the proposed issue of Warrants under the Placing Agreement, upon the full exercise of the subscription rights attaching to the Warrants, will fully utilize the General Mandate and the Placing is not subject to any Shareholders' separate approval.

REASONS FOR THE ISSUE OF WARRANTS AND THE USE OF PROCEEDS

The Group is principally engaged in (i) investment holding; (ii) industrial property development; (iii) general trading including trading of metal materials; and (iv) financing related business, including but not limited to pawn business in the People's Republic of China. As disclosed in the announcement of the Company dated 3 March 2015, the Group will purchase 25% equity interest in a joint venture company which was established for the provision of financial leasing service, operating leasing services, acquisition of leasing assets from the People's Republic of China and the overseas, salvage treatment and maintenance of financing assets and the provision of consultation and guarantee of leasing transactions.

The maximum net proceeds from the Placing (without taking into account the exercise of the subscription rights attaching to the Warrants) will be approximately HK\$39.8 million, which will be used for the expansion of the Group's financing related business (including but not limited to pawn business and financial leasing services etc.) and for the general working capital of the Group.

The Company will receive additional gross proceeds of approximately HK\$327.8 million upon exercise in full of the subscription rights attaching to the Warrants (assuming that all 71,889,422 Warrants have been exercised in full and 71,889,422 new Shares have been issued). The Company intends to apply such proceeds for the expansion of the Group's financing related business (including but not limited to pawn business and financial leasing services, etc.) and for the general working capital of the Group.

The Directors consider that the issue of the Warrants to the Placees would attract the requisite funding for general working capital and future business development of the Group and would provide the Group with an opportunity to raise further funds when the Placees exercise the subscription rights attaching to the Warrants.

In view of the above, the Directors consider that the Placing is an appropriate method of raising further funds for the Company in the circumstances and that the terms of the Placing Agreement which have been arrived at after arm's length negotiations between the Company and the Placing Agent are fair and reasonable and the Placing Agreement is in the interests of the Company and the Shareholders as a whole.

FUND RAISING DURING THE PAST TWELVE MONTHS

Set out below is the summary of the equity fund raising activity of the Company during the past 12 months immediately preceding the date of this announcement:

Date of Announcement	Description of the fund raising activities	Net proceeds raised	Intended use of proceeds	Actual use of proceeds
9 January 2015	Placing of 59,969,422 new Shares at a placing price of HK\$2.00 per placing Share on a best effort basis under general mandate	HK\$117 million	<p>As disclosed in the announcement of the Company dated 9 January 2015, approximately 65% of the net proceeds would be used for the expansion of the pawnshop business and approximately 35% of the net proceeds would be used for general working capital and other potential investments.</p> <p>The Company intended to change the use of proceeds to apply approximately 65% of the net proceeds for the expansion of the Group's financing related business and approximately 35% of the net proceeds for the general working capital and other potential investment of the Group.</p>	<p>Approximately HK\$76.05 million will be used for the expansion of the Group's financing related business; HK\$10 million has been utilized as working capital of the Group; and the remaining balance of approximately HK\$30.95 million will be used for the general working capital and other potential investment of the Group.</p>

EFFECT ON SHAREHOLDING OF THE PLACING

As at the date of this announcement, the Company has 359,447,114 Shares in issue. The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the full exercise of the subscription rights attaching to the Warrants (assuming that the Placing Agent has placed a total of 71,889,422 Warrants to not less than six independent Placees and there will be no further changes in the issued share capital of the Company prior to such exercise and no adjustment to the Subscription Price) are as follows:

	As at the date of this announcement		Immediately after the full exercise of the subscription rights attaching to the Warrants	
	Number of Shares	Approximate per cent.	Number of Shares	Approximate per cent.
Ms. Ma Xiaoling (<i>Note</i>)	120,212,256	33.44	120,212,256	27.87
Public Shareholders:				
Placees	—	—	71,889,422	16.67
Other public Shareholders	239,234,858	66.56	239,234,858	55.46
Total	<u>359,447,114</u>	<u>100.00</u>	<u>431,336,536</u>	<u>100.00</u>

Note: Ms. Ma is the beneficial owner of the entire issued share capital of Keenlead Holdings Limited, which owned 120,212,256 Shares.

IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 15.02(1) of the Listing Rules, the Warrant Shares to be issued upon exercise of the Warrants must not, when aggregated with all other equity securities which remain to be issued on exercise of any other subscription rights, if all such rights were immediately exercised, whether or not such exercise is permissible, exceed 20.00% of the issued share capital of the Company at the time the Warrants are issued.

As at the date of this announcement, the Company has a total of 359,447,114 Shares in issue. There are no securities with subscription rights outstanding and not yet exercised and which are required to be aggregated with the Warrant Shares in accordance with Rule 15.02(1) of the Listing Rules. Assuming there is no further issue or repurchase of the Shares and there is no adjustment to the Subscription Price, upon the full exercise of the subscription rights attaching to the Warrants, a maximum number of 71,889,422 Warrant Shares will be issued, which represent approximately 20.00% of the existing issued share capital of the Company and approximately 16.67% of the issued share capital as enlarged by the issue of all the Warrant Shares. Accordingly, the issue of the Warrants is in compliance with Rule 15.02(1) of the Listing Rules.

Shareholders and potential investors should be aware of and take note that the Completion is subject to the fulfillment of the conditions precedent set out in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Associate(s)”	has the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“Company”	Greater China Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 431)
“Completion”	the completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 71,889,422 Shares, representing approximately 20.00% of the issued share capital of the Company as at the annual general meeting of the Company held on 30 April 2015
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	party(ies) who is/are independent of and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates or any person deemed to be connected by the Stock Exchange and is not acting in concert (within the meaning of the Takeovers Code)
“Instrument”	the instrument constituting the Warrants to be executed by the Company on Completion

“Last Trading Day”	14 May 2015, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity whom the Placing Agent has procured to subscribe for any of the Warrants pursuant to the Placing Agreement
“Placing”	the placing of the Warrants procured by the Placing Agent to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Orient Securities (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 14 May 2015 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Period”	the period commencing immediately after the Placing Agreement is entered into by the parties and expiring at 5:00 p.m. on the 7th Business Day from the day of the Placing Agreement (or such later time and date as the parties may agree in writing)
“Placing Price”	HK\$0.59 per Warrant
“Share(s)”	share(s) of HK\$0.005 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Period”	the period commencing from the date of issue of the Warrants and up to the close of business on the date falling 12 months after the date of issue of the Warrants
“Subscription Price”	an initial subscription price of HK\$4.56 per Warrant Share (subject to adjustment) at which the holder of the Warrants may subscribe for the Warrant Shares
“Takeover Code”	the Code on Takeovers and Mergers in Hong Kong

“Warrants”	up to an aggregate of 71,889,422 unlisted warrants to be issued by the Company at the Placing Price each entitling the holder thereof to subscribe initially for one (1) Warrant Share at the initial Subscription Price (subject to adjustment) at any time during the Subscription Period
“Warrant Share(s)”	the new Share(s) to be allotted and issued by the Company upon the exercise of the subscription rights attaching to the Warrant(s)
“%”	per cent.

By Order of the Board
Greater China Holdings Limited
Ma Xiaoling
Chairperson

Hong Kong, 14 May 2015

As at the date of this announcement, the Board comprises Ms. Ma Xiaoling and Ms. Chan Siu Mun as executive Directors, Mr. Joseph Shie Jay Lang and Mr. Chen Ningdi as non-executive Directors; and Mr. Lin Ruei-min, Mr. Jin Bingrong and Mr. Kwan Kei Chor as independent non-executive Directors.