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大中華金融控股有限公司

GREATER CHINA FINANCIAL HOLDINGS LIMITED

*(incorporated in Bermuda with limited liability)*

(Stock Code: 431)

website: <http://www.irasia.com/listco/hk/greaterchina/index.htm>

**THE SECOND SUPPLEMENTAL AGREEMENT TO  
THE SALE AND PURCHASE AGREEMENT  
IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF  
ORIENTAL CREDIT HOLDINGS LIMITED INVOLVING  
AMENDMENTS TO THE TERMS OF THE CONVERTIBLE NOTES**

Reference is made to the announcement of Greater China Financial Holdings Limited (the “**Company**”) dated 20 November 2014, the circular of the Company dated 24 December 2014 and further announcements of the Company dated 21 January 2015, 3 June 2015, 9 October 2015 and 14 October 2015 respectively in relation to, among other things, the acquisition of the entire issued share capital of Oriental Credit Holdings Limited and the issue of Convertible Notes (the “**Oriental Credit Announcements and Circular**”). Unless defined otherwise, terms used in this announcement shall have the same meaning as those defined in the Oriental Credit Announcements and Circular.

**THE SECOND SUPPLEMENTAL AGREEMENT**

On 8 January 2016 (after trading hours), the Company entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) to the Sale and Purchase Agreement with the Vendors and the Vendors Guarantor to amend certain terms and conditions of the Sale and Purchase Agreement (as amended by the first supplemental agreement dated 3 June 2015) (the “**Amendments**”). Details of the Second Supplemental Agreement are set out as follows:

**Amendments to the payment terms of the Consideration**

Pursuant to the Sale and Purchase Agreement, part of the Consideration shall be satisfied by the Company by way of issue of the Convertible Notes in the following manner:

- (a) a sum of HK\$35,000,000 (subject to adjustment) will be paid by way of issue of Convertible Notes of principal amount of HK\$35,000,000 (subject to adjustment) to the Vendors on the 60th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2015; and

- (b) a sum of HK\$35,000,000 (subject to adjustment) will be paid by way of issue of Convertible Notes of principal amount of HK\$35,000,000 (subject to adjustment) to the Vendors on the 60th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2016.

Pursuant to the Second Supplemental Agreement, the manner of payment of that part of the Consideration shall be amended as follows:

- (a) a sum of HK\$35,000,000 (subject to adjustment) will be paid by way of issue of Convertible Notes with principal amount of HK\$35,000,000 (subject to adjustment) to the Vendors on the 5th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2015 or such other date as agreed by the parties in writing (the “**Revised 2015 Convertible Note Issue Date**”); and
- (b) a sum of HK\$35,000,000 (subject to adjustment) will be paid by way of issue of Convertible Notes with principal amount of HK\$35,000,000 (subject to adjustment) to the Vendors on the 5th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2016 or such other date as agreed by the parties in writing (the “**Revised 2016 Convertible Note Issue Date**”).

#### **Amendments to the Put Option Period**

Pursuant to the Sale and Purchase Agreement, upon the sole and absolute discretion of the Board, the Company shall be entitled to require each Vendor, severally but not jointly, to repurchase all Sale Shares held by it before the completion of the Acquisition (the “**Put Option**”) within the period from Completion Date to the 30th Business Day after the 2015 Convertible Note Issue Date or such other period as the Board may otherwise determine in writing (the “**Put Option Period**”) subject to the requirements of the Listing Rules.

Pursuant to the Second Supplemental Agreement, the put option period was amended as the period from Completion Date to the Revised 2015 Convertible Note Issue Date or such other period as the Board may otherwise determine in writing (the “**Revised Put Option Period**”).

#### **Conversion period of the Convertible Notes**

Pursuant to the terms of the Convertible Notes, the conversion period of the Convertible Notes shall be the date upon the expiry of the Put Option Period and ending on the 21st Business Day before the Maturity Date.

Due to the revisions of the Put Option Period, the conversion period of the Convertible Notes shall be the date upon the expiry of the Revised Put Option Period and ending on the 21st Business Day before the Maturity Date.

Save for the Amendments, all other terms and conditions of the Sale and Purchase Agreement will remain unchanged.

## Effective Date of the Amendments

The Second Supplemental Agreement shall be effective upon fulfillment of all of the following conditions:–

- (a) the passing of all resolutions by the Shareholders (other than those who are required to abstain from voting under the Listing Rules) at a general meeting of the Company (the “SGM”) approving the entering into the Second Supplemental Agreement by the Company and the performance of the transactions contemplated thereunder in accordance with the relevant provisions in the Listing Rules, the bye-laws and the applicable laws and regulations in Hong Kong and Bermuda;
- (b) the passing of all resolutions by Directors (other than those who are required to abstain from voting under the Listing Rules and the director appointed by the Vendors) approving the entering into the Second Supplemental Agreement by the Company and the performance of the transactions contemplated thereunder in accordance with the relevant provisions in the Listing Rules, the bye-laws and the applicable laws and regulations in Hong Kong and Bermuda; and
- (c) the approval by the Stock Exchange in relation to the amendments contained in the Second Supplemental Agreement (if any).

If the conditions set out above in the Second Supplemental Agreement are not fulfilled, the Second Supplemental Agreement will not take effect.

## REASONS FOR THE PROPOSED AMENDMENTS

The Group is principally engaged in (i) investment holding; (ii) industrial property development; (iii) general trading including trading of metal materials; and (iv) pawnshop business in Shanghai, the PRC.

While the Put Option was originally put in place to safeguard the interest of the Company in terms of the financial performance of the Target Company following the Acquisition, the Target Company has achieved its 2014 Performance Target based on its audited accounts and its financial performance up to 31 December 2015 based on the relevant management accounts was in line with achieving the 2015 Performance Target. Accordingly, the Directors consider that the Amendments that (i) revise the issue date of the 2015 Convertible Notes and 2016 Convertible Notes; and (ii) allow earlier conversion of the Convertible Notes commencing from the expiry date of the Revised Put Option Period would provide further incentives to the management of the Target Group. Therefore, the Directors (other than the independent non-executive Directors whose views and opinion will be set out in the letter from the independent board committee (the “**Independent Board Committee**”) to be included in the circular to be despatched to the Shareholders) consider the terms of the Second Supplemental Agreement and the transactions contemplated thereunder are (i) on an arm’s length basis; (ii) fair and reasonable; and (iii) in the interests of the Company and the Shareholders as a whole.

## IMPLICATIONS UNDER THE LISTING RULES

Pursuant to Rule 28.05 of the Listing Rules, any alteration in the terms of convertible debt securities after issue must be approved by the Stock Exchange, except where the alteration takes effect automatically under the existing terms of such convertible debt securities. The Company will apply to the Stock Exchange for their approval of the Amendment contemplated by the Second Supplemental Agreement pursuant to Rule 28.05 of the Listing Rules.

The Vendors comprise Century Best, Equity Partner, Rosy Start and Asiabiz. The entire issued share capital of each of Century Best, Equity Partner and Rosy Start is beneficially owned by Mr. Joseph Shie Jay Lang (“**Mr. Lang**”), a non-executive Director while over 30% of the issued share capital of Asiabiz is indirectly owned by Mr. Chen Ningdi, an executive Director and the chief executive officer of the Company, and his associates. Given Mr. Lang and each Vendor are connected persons of the Company, the Amendments constitute a non-exempt connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and independent shareholders’ approval requirements under Chapter 14A of the Listing Rules.

As at the date of this announcement, Long Tu holds 538,500,000 Shares, representing approximately 16.65% of the issued share capital of the Company, and 65.8%, 28.2% and 6.0% of the issued share capital of Long Tu is owned by Ample Sleek Limited (which is wholly owned by Mr. Shao Yonghua, an executive Director and the Chairman of the Board), Sino Crest Ventures Limited and Asiabiz respectively. Given Asiabiz holds only 6% of the issued share capital of Long Tu and has not appointed any director in Long Tu, Asiabiz has no material influence over the board decision of Long Tu. In addition, Long Tu has no material interest in the Acquisition, hence having no interests in the Amendments. As such, the Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, no Shareholder has material interest in the Amendments. Accordingly, no Shareholder is required to abstain from voting for the resolution to approve the Amendments at the SGM.

The Independent Board Committee comprising all the independent non-executive Directors will be formed to advise the Shareholders on the Second Supplemental Agreement. The Company will in due course appoint an independent financial adviser to advise the Independent Board Committee and the Shareholders in this regard.

A circular containing, among other things, further details of the Second Supplemental Agreement, a letter of advice from the Independent Board Committee to the Shareholders, a letter of advice from the independent financial adviser to the Independent Board Committee and the Shareholders in relation to the Second Supplemental Agreement and the transactions contemplated thereunder, together with a notice convening the SGM, will be despatched to the Shareholders on or before 1 February 2016.

By Order of the Board  
**Greater China Financial Holdings Limited**  
**Shao Yonghua**  
*Chairman*

Hong Kong, 8 January 2016

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