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(Stock Code: 431)

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

VOLUNTARY ANNOUNCEMENT – LITIGATION

Reference is made to the announcement of Greater China Financial Holdings Limited (“**Company**”) dated 13 July 2016 (“**Announcement**”) in relation to the Complaint Letters, the First Action and the Second Action. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise stated.

Further to the Announcement, the Board would like to provide more information in relation to the First Action and the Second Action.

FURTHER DETAILS IN RELATION TO THE LITIGATION

High Court Action 1806 of 2016

In the First Action which is in relation to a dispute concerning (i) HK\$80 million (subject to adjustment) of the convertible notes of the Company to be issued on the 60th business day after the issue of the audited accounts of Oriental Credit for the financial year ending 31 December 2014 (“**2014 Convertible Note**”) and (ii) HK\$35 million (subject to adjustment) of the convertible notes of the Company to be issued on the 60th business day after the issue of the audited accounts of Oriental Credit for the financial year ending 31 December 2015 (“**2015 Convertible Note**”) in an aggregate principal amount of HK\$119,757,662.10, Shanghai Kuailu claims, inter alia, for (1) a declaration that Shanghai Kuailu is the beneficial owner of the 2014 Convertible Note and the 2015 Convertible Note ; and (2) a declaration that 6 other defendants of the First Action have converted the 2014 Convertible Note and the 2015 Convertible Note to their own use. Shanghai Kuailu is also seeking various orders on the Company and other defendants in the First Action.

High Court Action 1807 of 2016

In the Second Action which is in relation to a dispute concerning 538,500,000 shares of the Company held by Long Tu Limited (“**Subject Shares**”), Shanghai Kuailu claims, inter alia, for (1) a declaration that Shanghai Kuailu is the beneficial owner of the Subject Shares; and (2) a declaration that 6 other defendants of the Second Action have converted the Subject Shares to their own use. Shanghai Kuailu is also seeking various orders on the Company and other defendants in the Second Action.

THE BOARD’S ASSESSMENT ON THE IMPACT OF THE LITIGATION

The Company is currently seeking legal advice in respect of the First Action and the Second Action. Based on the facts currently made known to the Board, the Board considered that the First Action and the Second Action shall not have material impact to the Company and its subsidiaries. The Company will make further announcement(s) to update the public and its investors of any significant development.

By order of the Board of
Greater China Financial Holdings Limited
Liu Kequan
Chairman

Hong Kong, 18 July 2016

As at the date of this announcement, the Board comprises Mr. Liu Kequan and Mr. Zhang Peidong as executive Directors; Mr. Yin Xiaoguang as non-executive Director; and Mr. Jin Bingrong, Mr. Kwan Kei Chor, Dr. Rui Mingjie, Mr. Zhou Liangyu and Dr. Lu Ziang as independent non-executive Directors.