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GREATER CHINA HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 431)

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

CONVERSION OF CONVERTIBLE NOTES

On 8 October 2015 the Company received notices from each of Century Best, Equity Partner and Rosy Start for the early exercise of the conversion rights attaching to the convertible notes held by them in the principal amount of HK\$33,306,689.59, HK\$12,810,265.23 and HK\$34,160,707.28, which are convertible into 27,755,574 Conversion Shares, 10,675,221 Conversion Shares and 28,467,256 Conversion Shares respectively, at a conversion price of HK\$1.20 per Conversion Share. The said convertible notes were issued as part of the consideration for the acquisition of the entire issued share capital of Oriental Credit Holdings Limited. The conversion of the said convertible notes will be subject to each of Century Best, Equity Partner and Rosy Start having undertaken to, among other things, accept and pay for in full all their entitlements which will be provisionally allotted to them in respect of the Shares held by them as at the close of business on the Record Date under the Rights Issue.

Reference is made to the announcement of the Company dated 20 November 2014, the circular of the Company dated 24 December 2014 and a further announcement of the Company dated 3 June 2015 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**”). Reference is also made to the announcement of the Company dated 1 October 2015 in relation to the Rights Issue (the “**Rights Issue Announcement**”). Unless defined otherwise, terms used in this announcement shall have the same meaning as those defined in the Oriental Credit Announcements and Circular and the Rights Issue Announcement.

* For identification purposes only

CONVERSION OF THE 2014 CONVERTIBLE NOTES

On 8 October 2015 the Company received notices (the “**Conversion Notice(s)**”) from each of Century Best, Equity Partner and Rosy Start for the early exercise of conversion rights attaching to the convertible notes held by them in the principal amount of HK\$33,306,689.59, HK\$12,810,265.23 and HK\$34,160,707.28, which are convertible into 27,755,574 Conversion Shares, 10,675,221 Conversion Shares and 28,467,256 Conversion Shares, respectively, at a conversion price of HK\$1.20 per Conversion Share. The said convertible notes were issued as part of the consideration for the acquisition of the entire issued share capital of Oriental Credit Holdings Limited. As at the date of this announcement, there remained Convertible Notes in the maximum principal amount of HK\$94,598,231.81 not having been issued in accordance with the terms of the Sale and Purchase Agreement.

Pursuant to the Sale and Purchase Agreement, the conversion period of the Convertible Notes shall commence from the date upon the expiry of the Put Option Period and ending on the 21st business day before its maturity date. Under the Sale and Purchase Agreement, the Put Option Period shall be the period from the date of completion of the Acquisition to the 30th Business Day after the 2015 Convertible Note Issue Date or such other period as the Board may otherwise determine in writing.

For the purpose of considering the Conversion Notices, a Board meeting was convened on 9 October 2015, pursuant to which it was resolved, after taking into due consideration, among other things:

- each of Century Best, Equity Partner and Rosy Start has pleaded in their respective Conversion Notices that given there is no adjustment to the conversion price of the Convertible Notes, the Rights Issue would result in dilution to their respective interest in the Company associated with the convertible notes in issue and to be issued; and
- while the Put Option were originally put in place to safeguard the interest of the Company in terms of the financial performance of Oriental Credit Holdings Limited following the Acquisition, Oriental Credit Holdings Limited has achieved its 2014 Performance Target and its financial performance up to 31 August 2015 based on the relevant management accounts was in line with achieving the 2015 Performance Target,

that the expiry date of the Put Option Period would be shortened to 9 October 2015 and the convertible notes under the Conversion Notice can be converted thereafter, subject to the condition that each of Century Best, Equity Partner and Rosy Start shall enter into an irrevocable undertaking that (1) after they exercise the conversion rights of the convertible notes, they would accept and pay for in full all their entitlements which will be provisionally allotted to them in respect of the Shares held by them as at the close of business on the Record Date under the Rights Issue; (2) they shall not apply for any Rights Shares in excess of those provisionally allotted to them; and (3) each of Century Best, Equity Partner and Rosy Start shall remain the legal and beneficial owner until the 30th Business Day after the 2015 Convertible Note Issue Date.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the allotment and issue of the 66,898,051 Conversion Shares under the Conversion Notice; (iii) upon completion of the Rights Issue (assuming no further new Share/Share being issued and/or repurchased by the Company on or before the Record Date save for the allotment and issue of the 66,898,051 Conversion Shares) on the basis that all Rights Shares are subscribed by the Qualifying Shareholders; and (iv) upon completion of the Rights Issue (assuming no further new Share/Share being issued and/or repurchased by the Company on or before the Record Date save for the allotment and issue of the 66,898,051 Conversion Shares) on the basis that none of the Rights Shares are subscribed by the Qualifying Shareholders (except for Long Tu, Century Best, Equity Partner and Rosy Start which have provided irrevocable undertakings (the “**Irrevocable Undertakings**”) to accept and pay for in full all their entitlements under the Rights Issue) and all taken up by the Underwriters:

	As at the date of this announcement		Immediately following the issue of the Conversion Shares		Upon completion of the Rights Issue assuming all Rights Shares are subscribed by the Qualifying Shareholders		Upon completion of the Rights Issue assuming none of the Rights Shares are subscribed by the Qualifying Shareholders (other than those under the Irrevocable Undertakings) and all taken up by the Underwriters	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
Long Tu (Note 1)	71,800,000	16.65%	71,800,000	14.41%	107,700,000	14.41%	187,592,494	25.11%
Keenlead Holdings Limited (Note 2)	40,212,256	9.32%	40,212,256	8.07%	60,318,384	8.07%	40,212,256	5.38%
Rosy Start (Note 3)	–	0.00%	28,467,256	5.71%	42,700,884	5.71%	42,700,884	5.71%
Century Best (Note 3)	–	0.00%	27,755,574	5.57%	41,633,361	5.57%	41,633,361	5.57%
Equity Partner (Note 3)	–	0.00%	10,675,221	2.14%	16,012,831	2.14%	16,012,831	2.14%
Grand Wealth Asia Pacific Limited	38,942,965	9.03%	38,942,965	7.82%	58,414,447	7.82%	38,942,965	5.21%
Orient Securities	–	0.00%	–	0.00%	–	0.00%	99,831,063	13.36%
Others	280,291,893	65.00%	280,291,893	56.27%	420,437,840	56.27%	280,291,893	37.51%
Total:	431,247,114	100.00%	498,145,165	100.00%	747,217,747	100.00%	747,217,747	100.00%

Notes:

- 65.8%, 28.2% and 6.0% of the issued share capital of Long Tu is owned by Ample Sleek Limited (“**Ample Sleek**”), Sino Crest Ventures Limited (“**Sino Crest**”) and Asiabiz Capital Investment Limited (“**Asiabiz**”). Ample Sleek is wholly owned by Mr. Shao Yonghua, an executive Director and the Chairman of the Board, while over 30% of the issued share capital of Asiabiz is indirectly owned Mr. Chen Ningdi, an executive Director and the chief executive officer of the Company, and his associates.
- The entire issued share capital of Keenlead Holdings Limited is wholly and beneficially owned by Ms. Ma Xiaoling, a non-executive Director.
- 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.

4. Rosy Start, Equity Partner and Century Best are taken to be interested in 40%, 15% and 39% of the Convertible Notes in a maximum principal amount of HK\$180,000,000 (HK\$85,401,768.19 of which has been issued as at the date of this announcement and being the subject of the Conversion Notices) and which may be converted into 60,000,000 Shares, 22,500,000 Shares and 58,500,000 Shares, respectively (including the subject 66,898,051 Conversion Shares under the Conversion Notice) according to the Sale and Purchase Agreement. Mr. Lang is therefore taken to be interested in an aggregate of 141,000,000 Shares (including the subject 66,898,051 Conversion Shares under the Conversion Notice) through Rosy Start, Equity Partner and Century Best.
5. As at the date of this announcement, Asiabiz is taken to be interested in 6% of the Convertible Notes. Upon full conversion of 6% of the Convertible Notes with maximum principal amount of HK\$180,000,000, Asiabiz will be interested in 9,000,000 Shares.

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

Hong Kong, 9 October 2015

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, Dr. Rui Mingjie and Mr. Kwan Kei Chor as independent non-executive Directors.