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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>

**NON-FULFILLMENT OF THE 2016 PERFORMANCE TARGET
AND
THE 2016 CONVERTIBLE NOTE
IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE
CAPITAL OF ORIENTAL CREDIT HOLDINGS LIMITED**

Non-fulfillment of the 2016 Performance Target and the 2016 Convertible Note in relation to the Acquisition of the entire issued share capital of Oriental Credit Holdings Limited

Reference is made to the announcements of Greater China Financial Holdings Limited (the “**Company**”) dated 20 November 2014, 21 January 2015, 3 June 2015, 8 January 2016, 1 February 2016, 3 February 2016, 25 February 2016 and 15 March 2016 and the circulars of the Company dated 24 December 2014 (the “**First Circular**”) and 5 February 2016 (the “**Second Circular**”) in relation to the acquisition of the entire issued share capital of Oriental Credit Holdings Limited. Unless otherwise defined in this announcement, capitalised terms used in this announcement shall have the same meanings as those defined in the Second Circular.

As disclosed in the paragraph headed “Amendments to the payment terms of the Consideration” under the section “The Second Supplemental Agreement” in the Second Circular, part of the consideration for the Sale and Purchase Agreement and the Second Supplemental Agreement shall be satisfied by the Company by way of issue of Convertible Notes with principal amount of HK\$35,000,000 (subject to adjustment) to the Vendors on the Revised 2016 Convertible Note Issue Date.

On the basis of the 2016 Performance Target, the principal amount of the 2016 Convertible Note shall be adjusted to an amount equal to:

$$\text{HK\$}35,000,000 + (A_{2016} - B_{2016}) \times (\text{HK\$}150,000,000 / C)$$

where

A_{2016} = the consolidated net profit after taxation of the Target Group (excluding extraordinary profit or that arising from merger or acquisition) for the financial year ended 31 December 2016

B_{2016} = the 2016 Performance Target

C = the sum of the audited combined net asset value of the Target Group for the financial year ended 31 December 2013, the 2014 Performance Target, the 2015 Performance Target and the 2016 Performance Target.

If the adjusted principal amount of the 2016 Convertible Note shall exceed 1.2 times its original principal amount, the adjusted principal amount shall be capped at 1.2 times its original principal amount.

THE 2016 CONVERTIBLE NOTE

According to the audited financial statements of the Target Group for the year ended 31 December 2016 issued by HLM CPA Limited on 20 March 2017, the Target Group was making a loss for the financial year ended 31 December 2016. Based on the adjustment formula, the adjusted principal amount of the 2016 Convertible Note shall be a negative amount. As such, the Company is not required to issue the 2016 Convertible Note according to the Sale and Purchase Agreement.

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

Hong Kong, 21 March 2017

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