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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Greater China Financial Holdings Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CONNECTED TRANSACTION
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
AND
NOTICE OF SPECIAL GENERAL MEETING

Independent Financial Adviser to
the Independent Board Committee and the Shareholders



A letter from the board of directors of the Company is set out on pages 6 to 22 of this circular and a letter from the independent board committee of the Company is set out on pages 23 to 24 of this circular. A letter of advice from First Shanghai Capital Limited, the independent financial adviser to the independent board committee and the shareholders of the Company is set out on pages 25 to 40 of this circular.

A notice convening the special general meeting of the Company to be held at Suites 3001-11, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 25 February 2016 at 11:00 a.m. is set out on pages 49 to 52 of this circular. Whether or not you are able to attend the special general meeting of the Company, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the special general meeting or any adjournment thereof. Completion and return of the accompanying form of proxy will not preclude the shareholders from attending and voting in person at the meeting or any adjourned meeting thereof should they so wish and in such event, the form of proxy shall be deemed to be revoked.

5 February 2016

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	6
Letter from the Independent Board Committee	23
Letter from First Shanghai	25
Appendix – General Information	41
Notice of Special General Meeting	49

DEFINITIONS

In this circular, unless the context requires otherwise, the following expressions have the following meanings:

“2014 Convertible Note”	Convertible Notes with principal amount of HK\$85,401,768.19 issued by the Company to settle part of the Consideration
“2014 Convertible Note Issue Date”	3 June 2015
“2015 Convertible Note”	Convertible Notes with principal amount of HK\$35,000,000 (subject to adjustment) to be issued by the Company to settle part of the Consideration
“2015 Convertible Note Issue Date”	the 60th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2015
“2016 Convertible Note”	Convertible Notes with principal amount of HK\$35,000,000 (subject to adjustment) to be issued by the Company to settle part of the Consideration
“2016 Convertible Note Issue Date”	the 60th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2016
“Acquisition”	the acquisition of the Sale Shares by the Company from the Vendors pursuant to the terms and conditions of the Sale and Purchase Agreement
“Amendments”	the proposed amendment of certain terms of the Sale and Purchase Agreement pursuant to the Second Supplemental Agreement (including the amendment on the issue dates of the 2015 Convertible Note and the 2016 Convertible Note; the terms of the Put Option and the incidental amendment on the conversion period of the Convertible Notes)
“Asiabiz”	Asiabiz Capital Investment Limited, a limited liability company incorporated in the Cayman Islands whose principal business is investment holding
“Board”	the board of Directors

DEFINITIONS

“Business Day(s)”	any day (excluding (i) Saturday, Sunday and other general holidays in Hong Kong; (ii) any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon; or (iii) any day on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“Century Best”	Century Best Holdings Limited (世佳控股有限公司), a limited liability company incorporated in the British Virgin Islands whose principal business is investment holding
“Company”	Greater China Financial Holdings Limited (大中華金融控股有限公司), a company incorporated in Bermuda with limited liability whose Shares are listed on the main board of the Stock Exchange (Stock Code: 431)
“Completion Date”	the date on which the completion of the Acquisition took place, i.e. 21 January 2015
“connected person(s)”	has the meaning as ascribed thereto in the Listing Rules
“Consideration”	the consideration for the Sale Shares payable by the Company pursuant to the Sale and Purchase Agreement
“Conversion Price”	the conversion price of HK\$0.24 per Conversion Share (subject to adjustment)
“Conversion Rights”	the rights attached to the Convertible Notes to convert the whole or any part(s) of the principal amount into Conversion Shares
“Conversion Share(s)”	625,000,000 new Shares to be allotted and issued by the Company upon conversion of the Convertible Notes at the Conversion Price based on the initial Consideration of HK\$150,000,000 and up to 750,000,000 new Shares based on the adjusted Consideration of HK\$180,000,000
“Convertible Notes”	the 2014 Convertible Note, the 2015 Convertible Note and the 2016 Convertible Note, the aggregate principal amount of which is HK\$150,000,000 (subject to adjustments)

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Equity Partner”	Equity Partner Holdings Limited, a limited liability company incorporated in the British Virgin Islands whose principal business is investment holding
“Exercise Date”	a date on which a notice is given in respect of the exercise of the Conversion Rights in accordance with the terms and conditions of the Convertible Notes
“First Shanghai”	First Shanghai Capital Limited, a licensed corporation under SFO to carry out type 6 (advising on corporate finance) of the regulated activity and the independent financial adviser appointed to advise the Independent Board Committee and the Shareholders with regard to the Second Supplemental Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors (namely, Mr. Jin Bingrong, Mr. Kwan Kei Chor and Dr. Rui Mingjie), formed for the purpose of advising the Shareholders as to the terms of the Second Supplemental Agreement and the transactions contemplated thereunder
“Independent Third Party(ies)”	an individual or a company who is not connected with any directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates and is independent of the Company
“Latest Practicable Date”	2 February 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Long Tu”	Long Tu Limited (龍圖有限公司), a limited liability company incorporated in the British Virgin Islands, which holds 538,500,000 Shares as at the Latest Practicable Date, representing approximately 16.65% of the issued share capital of the Company
“Noteholder(s)”	the person who is for the time being the registered holder of the Convertible Notes
“Put Option”	the right of the Company under the Sale and Purchase Agreement to require each Vendor, severally but not jointly, to repurchase all Sale Shares held by it before the completion of the Acquisition
“Put Option Period”	the period commencing 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
“PRC”	the People’s Republic of China, and for the purpose of this circular, excluding Hong Kong, Macau Special Administrative Region and Taiwan
“Revised 2015 Convertible Note Issue Date”	the 5th Business Day after the issue of the audited accounts of the Target Company for the financial year ended 31 December 2015 or such other date as agreed by the parties to the Sale and Purchase Agreement in writing
“Revised 2016 Convertible Note Issue Date”	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 to the Sale and Purchase Agreement in writing
“Revised Put Option Period”	the period commencing from Completion Date to the Revised 2015 Convertible Note Issue Date or such other period as the Board may otherwise determine in writing
“RMB”	Renminbi, the lawful currency of the PRC
“Rosy Start”	Rosy Start Investments Limited (啟茂投資有限公司), an investment holding company incorporated in the British Virgin Islands with limited liability whose principal business is investment holding

DEFINITIONS

“Sale and Purchase Agreement”	the sale and purchase agreement dated 20 November 2014 entered into among the Company, the Vendors and the Vendors Guarantor in respect of the Acquisition as amended by the first supplemental agreement dated 3 June 2015
“Sale Shares”	200 shares of the Target Company, which represent all the issued and fully paid-up shares of the Target Company
“Second Supplemental Agreement”	the second supplemental agreement dated 8 January 2016 entered into among the Company, the Vendors and the Vendors Guarantor to amend certain terms of the Sale and Purchase Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	a special general meeting of the Company to be convened and held for the purpose of considering, and if the Shareholders think fit, approving, among other things, (i) the Second Supplemental Agreement and the transactions contemplated thereunder; and (ii) the specific mandate to be sought for the allotment and issue of the Conversion Shares
“Share(s)”	ordinary share(s) of HK\$0.001 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Oriental Credit Holdings Limited, a limited liability company incorporated in the Cayman Islands
“Target Group”	the Target Company and its subsidiaries (including 上海新盛典當有限公司)
“Vendors”	Rosy Start, Equity Partner, Century Best and Asiabiz
“Vendor Shareholding Ratio”	the ratio of shareholding in the Target Company by Asiabiz, Century Best, Equity Partner and Rosy Start that is 6%:39%:15%:40%, respectively
“Vendors Guarantor” or “Mr. Lang”	Mr. Joseph Shie Jay Lang (郎世杰)

LETTER FROM THE BOARD



Executive Directors:

Mr. Shao Yonghua (*Chairman*)
Mr. Chen Ningdi
Ms. Chan Siu Mun

Non-executive Directors:

Ms. Ma Xiaoling
Mr. Joseph Shie Jay Lang

Independent Non-executive Directors:

Mr. Jin Bingrong
Mr. Kwan Kei Chor
Dr. Rui Mingjie

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

*Head Office and Principal Place
of Business in Hong Kong:*

Suites 3001-11
Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

5 February 2016

To the Shareholders,

Dear Sir or Madam,

**CONNECTED TRANSACTION
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**

INTRODUCTION

Reference is made to the announcement of 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, 14 October 2015, 8 January 2016 and 1 February 2016 respectively in relation to, among other things, the acquisition of the entire issued share capital of the Target Company and the issue of Convertible Notes.

LETTER FROM THE BOARD

The Company entered into the Sale and Purchase Agreement with the Vendors and the Vendors Guarantor, pursuant to which the Company will settle the Consideration by way of issue the Convertible Notes in the principal amount of HK150,000,000 (subject to adjustment). On 3 June 2015, the 2014 Convertible Note with principal amount of HK\$34,160,707.28, HK\$12,810,265.23, HK\$33,306,689.59 and HK\$5,124,106.09 has been issued to Rosy Start, Equity Partner, Century Best and Asiabiz, respectively, in accordance with the Vendor Shareholding Ratio.

On 8 January 2016, the Company entered into the Second Supplemental Agreement to the Sale and Purchase Agreement with the Vendors and the Vendors Guarantor to amend certain terms of the Sale and Purchase Agreement. 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. Lang, being the Vendors Guarantor and 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 the Vendors Guarantor 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. The Company will seek the specific mandate from the Shareholders at the SGM for the allotment and issue of the Conversion Shares.

The purpose of this circular is to provide you with, 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 First Shanghai 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 to consider and if thought fit, to approve the resolutions in relation to (i) the Second Supplemental Agreement and the transactions contemplated thereunder; and (ii) the specific mandate to be sought for the allotment and issue of the Conversion Shares.

THE SECOND SUPPLEMENTAL AGREEMENT

On 8 January 2016, the Company entered into the Second Supplemental Agreement to the Sale and Purchase Agreement with the Vendors and the Vendors Guarantor to amend certain terms of the Sale and Purchase Agreement. 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

LETTER FROM THE BOARD

- (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 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 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 within 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 Revised Put Option Period.

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. Given 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 (as defined below), the Company currently has no intention to exercise the Put Option. The Company will comply with the relevant requirements of the Listing Rules if the Company exercises or not exercise the Put Option (other than the Put Option lapsed pursuant to the Sale and Purchase Agreement and the Second Supplemental Agreement).

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 of the Convertible Notes.

LETTER FROM THE BOARD

Due to the revisions of the Put Option Period, the conversion period of the Convertible Notes, of which the 2014 Convertible Note with aggregated principal amount of HK\$85,401,768.19 has been issued on 3 June 2015, shall commence from the date upon the expiry of the Revised Put Option Period and ending on the 21st Business Day before the maturity date of the Convertible Notes.

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 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 (including the issuance and allotment of the Conversion Shares under the specific mandate);
- (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 (including the Listing Committee granting approval for the listing of, and permission to deal in, the Conversion Shares).

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

As at the Latest Practicable Date, save for condition (b) above has been fulfilled, none of the above conditions have been fulfilled.

LETTER FROM THE BOARD

PERFORMANCE TARGETS UNDER THE SALE AND PURCHASE AGREEMENT

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

- (a) at the 2014 Convertible Note Issue Date, a sum of HK\$80,000,000 (subject to adjustment) will be paid by way of issue of the 2014 Convertible Note to the Vendors;
- (b) at the 2015 Convertible Note Issue Date, a sum of HK\$35,000,000 (subject to adjustment) will be paid by way of issue of the 2015 Convertible Note to the Vendors; and
- (c) at the 2016 Convertible Note Issue Date, a sum of HK\$35,000,000 (subject to adjustment) will be paid by way of issue of the 2016 Convertible Note to the Vendors.

The Convertible Notes shall be issued to each Vendor in accordance with the Vendor Shareholding Ratio.

Pursuant to the Sale and Purchase Agreement, the performance targets of the Target Group (the “**Performance Targets**”) is as follows:–

- (i) the consolidated net profit after taxation (excluding extraordinary profit or that arising from merger and acquisition) of the Target Group for the financial year ending 31 December 2014 shall not be less than HK\$15,000,000 (the “**2014 Performance Target**”);
- (ii) the consolidated net profit after taxation (excluding extraordinary profit or that arising from merger and acquisition) of the Target Group for the financial year ending 31 December 2015 shall not be less than HK\$25,000,000 (the “**2015 Performance Target**”) ; and
- (iii) the consolidated net profit after taxation (excluding extraordinary profit or that arising from merger and acquisition) of the Target Group for the financial year ending 31 December 2016 shall not be less than HK\$40,000,000.

It is expected that the audited consolidated financial statements of the Target Group will be issued by the end of February each year. Upon the issuance of the said financial statements, the Company will base on the audited consolidated financial statements of the Target Group to determine whether the Target Group has met the Performance Targets or not.

As mentioned in the announcement of the Company dated 3 June 2015, according to the audited financial statements of the Target Group for the year ended 31 December 2014, the audited consolidated net profit after taxation (excluding extraordinary profit or that arising from

LETTER FROM THE BOARD

merger or acquisition) of the Target Group for the year ended 31 December 2014 was HK\$19,944,001. Based on the adjustment formula, the 2014 Convertible Note with principal amount of HK\$85,401,768.19 was issued.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, based on the management account of the Target Group for the year ended 31 December 2015 which was prepared by the Company, the consolidated net profit after taxation of the Target Group for the financial year ended 31 December 2015 was not less than HK\$35,000,000 which met the 2015 Performance Target and there was no material one-off extraordinary items recorded.

Pursuant to the Sale and Purchase Agreement, there are no conditions pursuant to which the Convertible Notes may be issued. However, on the basis of the above Performance Targets, the principal amount of the 2015 Convertible Note and 2016 Convertible Note shall each be adjusted to an amount equal to:

- (i) in respect of the 2015 Convertible Note:
$$\text{HK\$35,000,000} + (A_{2015} - B_{2015}) \times (\text{HK\$150,000,000}/C); \text{ and}$$
- (ii) in respect of the 2016 Convertible Note:
$$\text{HK\$35,000,000} + (A_{2016} - B_{2016}) \times (\text{HK\$150,000,000}/C);$$

where

A_{2015} = the consolidated net profit after taxation of the Target Group (excluding extraordinary profit or that arising from merger or acquisition) for financial year ending 31 December 2015;

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

B_{2015} = the 2015 Performance Target;

B_{2016} = the 2016 Performance Target; and

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 2015 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.

In any event, the sum of the adjusted principal amount of the 2014 Convertible Note, the 2015 Convertible Note and the 2016 Convertible Note (that is, the adjusted Consideration) shall not exceed HK\$180,000,000. If on any of the 2014 Convertible Note Issue Date, 2015

LETTER FROM THE BOARD

Convertible Note Issue Date or 2016 Convertible Note Issue Date, the sum of the adjusted principal amount of the Convertible Notes to be issued and the principal amount of all Convertible Notes issued exceeds HK\$180,000,000, the Company shall only issue additional Convertible Notes in the principal amount being the difference between HK\$180,000,000 and the sum of the principal amount of all Convertible Notes issued.

On the basis of the maximum adjusted Consideration of HK\$180,000,000 and the Conversion Price of HK\$0.24, a total of 750,000,000 Conversion Shares will be allotted and issued upon full conversion of the Convertible Notes. Given the 2014 Convertible Note with an aggregated principal amount of HK\$85,401,768.19 was issued on 3 June 2015 and a total of 355,840,700 Conversion Shares will be allotted and issued upon full conversion of the 2014 Convertible Notes. Accordingly, the maximum aggregated principal amount of 2015 Convertible Note and 2016 Convertible Note will be HK\$94,598,231.81 and a total of 394,159,300 Conversion Shares will be allotted and issued upon full conversion of the 2015 Convertible Note and 2016 Convertible Note, and to be issued on the 2015 Convertible Note Issue Date and 2016 Convertible Note Issue Date respectively.

The Company will comply with the disclosure requirements pursuant to Rule 14A.63 of the Listing Rules if the actual performance of the Target Group fails to meet the Performance Targets and further announcements will be made by the Company on the Revised 2015 Convertible Note Issue Date and on the Revised 2016 Convertible Note Issue Date.

THE CONVERTIBLE NOTES

Apart from (i) the Amendments; (ii) the subdivision of each issued and unissued Share of par value of HK\$0.005 each in the capital of the Company into five (5) subdivided shares of par value of HK\$0.001 each becoming effective on 28 December 2015; and (iii) the adjusted conversion price of the Convertible Notes due to the share subdivision, all other terms of the Convertible Notes will remain unchanged. The principal terms of the Convertible Notes are summarized below:

Principal amount:	HK\$150,000,000 (or up to HK\$180,000,000 after adjustments)
Maturity date:	Fifth anniversary of the date of issue (the “ Maturity Date ”)
Interest:	Nil
Conversion Price:	HK\$0.24 per Conversion Share (subject to adjustments) represents:
	(i) a discount of approximately 79.83% to the closing price of HK\$1.19 per Share as quoted on the Stock Exchange on 8 January 2016, being the date of the Second Supplemental Agreement;

LETTER FROM THE BOARD

- (ii) a discount of approximately 80.80% to the average closing price of approximately HK\$1.25 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to 8 January 2016;
- (iii) a discount of approximately 79.83% to the closing price of approximately HK\$1.19 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (iv) a premium of approximately 92.00% over the unaudited net asset value per Share attributable to the Shareholders of approximately HK\$0.125 as at 30 June 2015, calculated based on the unaudited consolidated net asset attributable to the Shareholders of approximately HK\$403,063,000 as at 30 June 2015 and 3,234,353,355 Shares issued as at the Latest Practicable Date.

Adjustment events:

The Conversion Price shall from time to time be adjusted upon occurrences of the following events:

- (i) consolidation or sub-division or re-classification of Shares;
- (ii) issue of Shares by way of capitalisation of profits or reserves; or
- (iii) capital distribution or grant to Shareholders rights to acquire for cash assets of the Group.

LETTER FROM THE BOARD

Notwithstanding the above, in any circumstances where the Directors or the Noteholder shall consider that an adjustment to the Conversion Price provided for under the above provisions should not be made or should be calculated on a different basis or that an adjustment to the Conversion Price should be made notwithstanding that no such adjustment is required under the above provisions, the Company may appoint an approved financial adviser to consider whether for any reason whatever the adjustment to be made (or the absence of adjustment) would or might not fairly and appropriately reflect the relative interests of the persons affected thereby and, if the approved financial adviser shall consider this to be the case, the adjustment shall be modified or nullified or an adjustment made instead of no adjustment in such manner (including without limitation making an adjustment calculated on a different basis) as shall be certified by such approved financial adviser to be in its opinion appropriate.

Conversion Shares:

On the basis of the initial Consideration of HK\$150,000,000 and the Conversion Price of HK\$0.24, a total of 625,000,000 Conversion Shares will be allotted and issued upon full conversion of the Convertible Notes.

On the basis of the maximum adjusted Consideration of HK\$180,000,000 and the Conversion Price of HK\$0.24, a total of 750,000,000 Conversion Shares will be allotted and issued upon full conversion of the Convertible Notes.

The Conversion Shares shall be allotted and issued pursuant to the specific mandate to be sought at the SGM.

Conversion Rights:

The Noteholder shall have the right to convert on any Business Day during the Conversion Period (as defined below), the whole or any part(s) of the principal amount of the Convertible Notes into Shares at any time and from time to time at the Conversion Price provided that such part of the principal amount of the Convertible Notes has not previously been converted or redeemed or purchased or cancelled.

LETTER FROM THE BOARD

- Conversion restrictions: The Conversion Rights shall not be exercised by the Noteholder if and to the extent that, immediately following the conversion:
- (i) the Company will be unable to meet the public float requirement under the Listing Rules; or
 - (ii) the Noteholder together with the parties acting in concert with it will hold or control such amount of the Company's voting power at general meetings as shall trigger a mandatory general offer under the Code on Takeovers and mergers issued by the SFC and in effect at the material time (whether or not a waiver of the mandatory general offer obligation has been granted).
- Conversion Period: The date upon the expiry of the Revised Put Option Period and ending on the 21st Business Day before the Maturity Date.
- Redemption: Unless previously converted, redeemed, purchased or cancelled in accordance with the conditions of the Convertible Notes, the Convertible Notes will be redeemed by the Company on the Maturity Date at its principal amount outstanding together with all accrued and unpaid interest upon the presentation of the original of the certificate for the Convertible Notes to the Company.
- Ranking: The Conversion Shares shall rank *pari passu* in all respects with all other existing Shares outstanding at the Exercise Date and be entitled to all dividends and other distributions the record date of which falls on a date on or after the date of the conversion notice.
- Transferability: The Convertible Notes or any part(s) thereof may be assigned or transferred at any time with the prior written approval of the Board, provided such assignment or transfer shall also be in compliance with the conditions thereunder and further subject to (where applicable) the conditions, approvals, requirements and any other provisions of or under:
- (i) the Stock Exchange (and any other stock exchange on which the Shares may be listed at the relevant time) or its rules and regulations; and

LETTER FROM THE BOARD

(ii) the Listing Rules and all applicable laws and regulations.

In any event, no transfer of the Convertible Notes shall take place before the commencement of the Conversion Period.

Application for listing: No application will be made to the Stock Exchange for listing of the Convertible Notes.

Application will be made to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

EFFECT OF THE AMENDMENTS

The Revised 2015 Convertible Note Issue Date and the Revised 2016 Convertible Note Issue Date

Pursuant to the Sale and Purchase Agreement, the 2015 Convertible Note Issue Date and the 2016 Convertible Note Issue Date shall be the 60th Business Day after the issue of the respective audited consolidated financial statements of the Target Group for the year ended 31 December 2015 and for the year ending 31 December 2016.

Pursuant to the Second Supplemental Agreement, each of the issue date of the 2015 Convertible Note and the 2016 Convertible Note will be shortened by 55 Business Days. The Revised 2015 Convertible Note Issue Date and the Revised 2016 Convertible Note Issue Date will be the 5th Business Day after the issue of the respective audited consolidated financial statements of the Target Group for the year ended 31 December 2015 and for the year ending 31 December 2016.

The Revised Put Option Period

Pursuant to the Sale and Purchase Agreement, the Put Option Period shall commence from the Completion Date and ending on the 90th Business Day after the issue of the audited accounts of the Target Company for the year ended 31 December 2015.

Pursuant to the Second Supplemental Agreement, the expiry of the Put Option Period will be shortened by 85 Business Days. The Revised Put Option Period shall commence from the Completion Date and ending on the 5th Business Day after the issue of the audited consolidated financial statements of the Target Group for the year ended 31 December 2015.

LETTER FROM THE BOARD

Conversion period of the Convertible Notes

Pursuant to the terms of the Convertible Notes, the conversion period of the Convertible Notes shall commence from the date upon the expiry of the Put Option Period, being the 90th Business Day after the issue of the audited consolidated financial statements of the Target Group for the year ended 31 December 2015 and ending on the 21st Business Day before its maturity date.

Due to the revisions of the Put Option Period, the conversion period of the Convertible Notes shall commence 85 Business Days earlier from the date upon the expiry of the Revised Put Option Period, being the 5th Business day after the issue of the audited consolidated financial statements of the Target Group for the year ended 31 December 2015 and ending on the 21st Business Day before its maturity date.

Given the completion of the Acquisition took place in January 2015 and the audited consolidated financial statements of the Target Group for the year ended 31 December 2014 was agreed to be prepared by an independent auditor of the Target Group, the plan for setting the issue date of the Convertible Notes (i.e. the 60th Business Day after the issuance of the audited consolidated financial statements) was to allow sufficient time for the auditor of the Company to perform a review (“**Company Auditor’s Review**”) on the audited consolidated financial statements of the Target Group which was prepared by an independent auditor of the Target Group.

On the other hand, it was also the original plan of the Company for setting the Put Option Period to allow sufficient time for the Company to review the financial and operational performance of the Target Group prior to determining whether the Put Option would be exercised in order to safeguard the interest of the Company.

Given the financial information of the Target Group has been consolidated into the Group for the year ended 31 December 2015 since its completion in January 2015, the audited accounts of the Target Group for the year ended 31 December 2015 was prepared by the auditor of the Company and the Company Auditor’s Review is no longer required. In addition, as the Target Group 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, the Company currently has no intention to exercise the Put Option.

Therefore, the Board considered that the shortened time for the issue of the 2015 Convertible Note and the 2016 Convertible Note and the Put Option Period are sufficient, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately upon full conversion of the 2014 Convertible Note; and (iii) immediately upon full conversion of the Convertible Notes with maximum principal amount of HK\$180,000,000 is as follows:

	As at the Latest Practicable Date		Immediately upon full conversion of the 2014 Convertible Note (Note 4)		Immediately upon full conversion of the Convertible Notes with maximum principal amount of HK\$180,000,000 (Note 5)	
	Number of Shares	Approximate %	Number of Shares	Approximate %	Number of Shares	Approximate %
Long Tu (Note 1)	538,500,000	16.65%	538,500,000	15.00%	538,500,000	13.52%
Keenlead Holdings Limited (Note 2)	201,061,280	6.22%	201,061,280	5.60%	201,061,280	5.05%
Grand Wealth Asia Pacific Limited	292,072,235	9.03%	292,072,235	8.14%	292,072,235	7.33%
The Vendors:						
Rosy Start (Note 3)	-	-	142,336,280	3.96%	300,000,000	7.53%
Equity Partner (Note 3)	-	-	53,376,105	1.49%	112,500,000	2.82%
Century Best (Note 3)	-	-	138,777,873	3.87%	292,500,000	7.34%
Asiabiz (Note 1)	-	-	21,350,442	0.59%	45,000,000	1.13%
Sub-total:			355,840,700	9.91%	750,000,000	18.82%
Other public Shareholders	2,202,719,840	68.10%	2,202,719,840	61.35%	2,202,719,840	55.28%
Total	3,234,353,355	100.00%	3,590,194,055	100.00%	3,984,353,355	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, respectively. Ample Sleek is wholly owned by Mr. Shao Yonghua, an executive Director and the chairman of the Company 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.
- The entire issued share capital of Keenlead Holdings Limited is wholly and beneficially owned by Ms. Ma Xiaoling, a non-executive Director.
- As at the Latest Practicable Date, Mr. Lang, a non-executive Director, is the beneficial owner of the entire issued share capital of Rosy Start, Equity Partner and Century Best. Rosy Start, Equity Partner and Century Best are taken to be interested in 40%, 15% and 39% of the Convertible Notes.
- On 3 June 2015, the 2014 Convertible Note with principal amount of HK\$34,160,707.28, HK\$12,810,265.23, HK\$33,306,689.59 and HK\$5,124,106.09 has been issued to Rosy Start, Equity Partner, Century Best and Asiabiz, respectively, in accordance with the Vendor Shareholding Ratio. Based on the Conversion Price of HK\$0.24, a total of 355,840,700 Conversion Shares will be issued to the Vendors.
- Assuming the Vendors would not dispose any of the Conversion Shares and the Convertible Notes in a maximum principal amount of HK\$180,000,000 (HK\$85,401,768.19 of which has been issued on 3 June 2015) will be issued, a total of 394,159,300 Conversion Shares will be issued upon full conversion of the 2015 Convertible Note and the 2016 Convertible Note at a Conversion Price of HK\$0.24.

LETTER FROM THE BOARD

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.

As mentioned in the interim report of the Company for the six months ended 30 June 2015, the segment revenue and profit before taxation of the Group's pawn loan financing business was approximately HK\$44,705,000 and approximately HK\$27,621,000 respectively. The revenue and the net profit of the Group's pawn loan financing business has been stable since the completion of the acquisition by the Group in January 2015 and its performance has been maintained to be operationally efficient and financially sound while its financial performance has been contributing positively to the operating results of the Group as a whole during the year ended 31 December 2015.

On 3 June 2015, the 2014 Convertible Note with aggregated principal amount of HK\$85,401,768.19 was issued. Based on the Conversion Price of HK\$0.24, a total of 355,840,700 Conversion Shares will be issued and allotted upon full conversion of the 2014 Convertible Note. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, all the noteholders (the "Noteholders") have intention to exercise the Convertible Notes, subject to the market sentiment of the stock market.

Given 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, the Vendors initiated to make the Amendments to shorten the conversion period of the Convertible Notes.

The Board is of the view that the advantages of the Amendments are as follows:

- i. the Group's net asset value is increased as a result of the reduction in liabilities arising from the Convertible Notes;
- ii. after conversion of the Convertible Notes, the revaluation of the Convertible Notes is not required every year and there will not be any material fluctuation in the profit or loss of the Group as a result of the revaluation of the Convertible Notes;
- iii. the Group's capital base is enlarged as a result of the issuance of the Conversion Shares; and
- iv. it provides further incentives to Mr. Lang, who is the general manager and director of the Target Group by way of recognition of Mr. Lang's contribution to the Target Group.

The Board is of the view that the disadvantage of the Amendments is the early dilution effect of the shareholding of the existing Shareholders.

LETTER FROM THE BOARD

Given Mr. Lang is the general manager and director of the Target Group, who is involved in leading the management team of the Target Group (namely, Ms. Xu Yun, Mr. Wang Guofeng and Mr. Huang Qing) to identify customers as well as monitor the overall performance and credit risks of the Target Group, the Board is of the view that the Amendments (in particular, the early expiry of the Put Option Period) can remove the uncertainty for Mr. Lang in respect of the timing of conversion of the Convertible Notes and serve as a recognition of Mr. Lang's performance while the early conversion of the Convertible Notes can further motivate Mr. Lang to lead the management team of the Target Group for a better performance.

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.

IMPLICATIONS UNDER THE LISTING RULES

Given that the conversion period of the 2014 Convertible Notes has been altered, 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 has applied to the Stock Exchange for the approval of the amendment for the conversion period of the issued 2014 Convertible Note 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 the Vendors Guarantor, 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 the Vendors Guarantor 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 the consent of Shareholders in general meeting shall be obtained prior to allotting, issuing or grant securities convertible into Shares under Rule 13.36(1) of the Listing Rules, a specific mandate shall also be sought in the SGM for the allotment and issue of the Conversion Shares.

LETTER FROM THE BOARD

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares.

SGM AND PROXY ARRANGEMENT

A notice convening the SGM to be held at Suites 3001-11, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 25 February 2016 at 11:00 a.m. is set out on pages 49 to 52 of this circular.

Whether or not you are able to attend the SGM, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar and transfer office, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the SGM or any adjourned meeting thereof should they so wish and in such event the form of proxy shall be deemed to be revoked.

As at the Latest Practicable Date, 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 ("**Ample Sleek**") (which is wholly owned by Mr. Shao Yonghua, an executive Director and the Chairman of the Company), Sino Crest Ventures Limited ("**Sino Crest**") (which is wholly owned by Mr. Zhu Wenjing, being an Independent Third Party and also independent of Mr. Shao Yonghua, Mr. Chen Ningdi and their respective associates) and Asiabiz respectively. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, there is no shareholders' agreement among Ample Sleek, Sino Crest and Asiabiz.

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. In addition, as at the Latest Practicable Date, each of Mr. Lang and Mr. Chen Ningdi (except the indirect interest in the Company through Long Tu) and their respective associates has no shareholding in the Company. 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.

As the entire issued share capital of each of Century Best, Equity Partner and Rosy Start is beneficially owned by Mr. Lang while over 30% of the issued share capital of Asiabiz is indirectly owned by Mr. Chen Ningdi and his associates, Mr. Lang and Mr. Chen Ningdi have a material interest in the transaction contemplated under the Second Supplemental Agreement and they are required to abstain from voting on the board resolution approving the Amendments, Second Supplemental Agreement and the transactions contemplated thereunder.

LETTER FROM THE BOARD

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, the resolution(s) proposed at the SGM shall be voted by poll. The results of the poll will be announced in accordance with Rule 13.39(5) of the Listing Rules after the conclusion of the SGM.

RECOMMENDATION

Taking into account the reasons set out above, the Board (excluding all independent non-executive Directors, whose views are set out in the section headed “Letter from the Independent Board Committee” in this circular), consider that the Second Supplemental Agreement is on an arm’s length basis, fair and reasonable and is in the best interests of the Company and the Shareholders as a whole, and therefore, they recommend the Shareholders to vote in favor of the proposed resolution as set out in the notice of SGM.

ADDITIONAL INFORMATION

Your attention is drawn to the (i) letter from the Independent Board Committee as set out on pages 23 to 24 of this circular which contains recommendations of the Independent Board Committee to the Shareholders regarding the resolution to approve the Second Supplemental Agreement and the transactions contemplated thereunder; and (ii) the letter from First Shanghai set out in pages 25 to 40 of this circular which contains its recommendations to the Independent Board Committee and the Shareholders in respect of the Second Supplemental Agreement and the transactions contemplated thereunder and the principal factors and reasons considered by First Shanghai in arriving at its recommendations.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the full text of the letter from the Independent Board Committee to the Shareholders setting out its opinion and recommendation regarding the terms of the Second Supplemental Agreement and the transactions contemplated thereunder for the purpose of inclusion in this circular.



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

5 February 2016

**CONNECTED TRANSACTION
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**

To the Shareholders

Dear Sir or Madam,

We refer to the circular of the Company dated 5 February 2016 (the “**Circular**”), of which this letter forms part. Unless specified otherwise, capitalized terms used herein shall have the same meanings as those defined in the Circular.

We have been appointed by the Board as members of the Independent Board Committee to advise you on the terms of the Second Supplemental Agreement and the transaction contemplated thereunder. First Shanghai has been appointed as independent financial adviser to advise you and us in this regard. Details of their advice, together with the principal factors and reasons they have taken into consideration in giving such advice, are set out on pages 25 to 40 of the Circular. Your attention is also drawn to the letter from the Board in the Circular and the additional information set out in the appendix thereto.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having considered the terms of the Second Supplemental Agreement and the transactions contemplated thereunder and taking into account the independent advice of First Shanghai and the relevant information contained in the letter from the Board, we are of the opinion that the Second Supplemental Agreement the transactions contemplated thereunder, although not in the ordinary and usual course of business of the Group, are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Accordingly we recommend that you vote in favour of the ordinary resolutions to be proposed at the SGM to approve the (i) Second Supplemental Agreement and the transactions contemplated thereunder; (ii) the specific mandate to be sought for the allotment and issue of Conversion Shares.

Yours faithfully,

For and on behalf of

Independent Board Committee

Mr. Jin Bingrong

Mr. Kwan Kei Chor

Dr. Rui Mingjie

Independent non-executive Directors

LETTER FROM FIRST SHANGHAI

*The following is the full text of the letter from First Shanghai to the Independent Board Committee and those Shareholders who do not have any material interests in the Amendments (the “**Independent Shareholders**”), setting out its opinion and recommendation regarding the terms of the Second Supplemental Agreement and the transactions contemplated thereunder to the Sale and Purchase Agreement, for the purpose of inclusion in this circular.*



19th Floor, Wing On House
71 Des Voeux Road Central
Hong Kong

5 February 2016

*To the Independent Board Committee and
the Independent Shareholders*

Greater China Financial Holdings Limited
Suites 3001-11, Tower Two
Times Square
1 Matheson Street
Causeway Bay
Hong Kong

Dear Sirs,

CONNECTED TRANSACTION
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

INTRODUCTION

We refer to our engagement as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Amendments to the Sale and Purchase Agreement, details of which are contained in the circular to the Shareholders dated 5 February 2016 (the “**Circular**”), of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as those defined in the Circular and the circular of the Company in relation to, among others, the Acquisition dated 24 December 2014.

LETTER FROM FIRST SHANGHAI

As set out in the “Letter from the Board” contained in the Circular, on 24 December 2014, the Company entered into the Sale and Purchase Agreement with the Vendors and the Vendors Guarantor, pursuant to which the Company will settle the Consideration by way of issue of the Convertible Notes in the principal amount of HK\$150,000,000 (subject to adjustment).

On 3 June 2015, the 2014 Convertible Note with principal amount of HK\$34,160,707.28, HK\$12,810,265.23, HK\$33,306,689.59 and HK\$5,124,106.09 has been issued to Rosy Start, Equity Partner, Century Best and Asiabiz, respectively, in accordance with the Vendor Shareholding Ratio.

On 8 January 2016, the Company entered into the Second Supplemental Agreement to the Sale and Purchase Agreement with the Vendors and the Vendors Guarantor to amend certain terms of the Sale and Purchase Agreement (the “**Amendments**”). Details of the Second Supplemental Agreement are set out below.

IMPLICATIONS UNDER THE LISTING RULES

Given that the conversion period of the 2014 Convertible Notes has been altered, 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 has applied to the Stock Exchange for the approval of the amendment for the conversion period of the issued 2014 Convertible Note 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. Lang, being the Vendors Guarantor and 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. The Company will seek specific mandate from the Shareholders at the SGM for the allotment and issue of the Conversion Shares.

As at the Latest Practicable Date, 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 (“**Ample Sleek**”) (which is wholly owned by Mr. Shao Yonghua, an executive Director and the chairman of the Company), Sino Crest Ventures Limited (“**Sino Crest**”) (which is wholly owned by Mr. Zhu Wenjing, being an Independent Third Party) and Asiabiz respectively. To the best of the Director’s knowledge, information and belief after having made all reasonable enquiries, there is no shareholders’ agreement among Ample Sleek, Sino Crest and Asiabiz. 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

LETTER FROM FIRST SHANGHAI

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. In addition, as at the Latest Practicable Date, each of Mr. Lang and Mr. Chen Ningdi (except the indirect interest in the Company through Long Tu) and their respective associates has no shareholding in the Company. 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 resolutions to approve the Amendments and the corresponding specific mandate for the allotment and issue of the Conversion Shares at the SGM.

FORMATION OF INDEPENDENT BOARD COMMITTEE

An independent board committee comprising Mr. Jin Bingrong, Mr. Kwan Kei Chor and Dr. Rui Mingjie, being all the three independent non-executive Directors, has been formed to advise the Independent Shareholders in relation to the Amendments.

As the independent financial adviser, we have been appointed to advise the Independent Board Committee and the Independent Shareholders as to (i) whether or not the Amendments are on normal commercial terms or better and conducted in the ordinary and usual course of business of the Group; (ii) whether the Amendments are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in relation to the ordinary resolutions for approving the Amendments to be contemplated under the Second Supplemental Agreement at the forthcoming SGM and the specific mandate for the allotment and issue of the Conversion Shares.

BASIS OF OUR ADVICE

In arriving at our recommendation, we have relied on the information and facts provided by the Company and have assumed that any representations made to us are true, accurate and complete. We have also relied on the statements, information, opinions and representations contained in the Circular and the information and representations provided to us by the Directors and management of the Company (the “**Management**”). We have assumed that all information, representations and opinions contained or referred to in the Circular and all information, representations and opinions which have been provided by the Directors and management of the Company, for which they are solely responsible for, are true and accurate at the time they were made and will continue to be accurate at the date of the despatch of the Circular.

The Directors collectively and individually accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular while the omission of which would make any such statement contained in the Circular misleading. We consider that we have been provided with sufficient information to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor

LETTER FROM FIRST SHANGHAI

are we aware of any fact or circumstances which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. Having made all reasonable enquiries, the Directors have further confirmed that, to the best of their knowledge, they believe there are no other facts or representations while the omission of which would make any statement in the Circular, including this letter, misleading. We have not, however, carried out any independent verification of the information provided by the Directors and the Management, nor have we conducted an independent investigation into the business and affairs of the Group.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinion and recommendation regarding the Amendments, we have taken into consideration the following principal factors:

1. Background of the Group

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

According to the annual report of the Company for the year ended 31 December 2014 (the “**Annual Report**”), revenue of the Group for the year ended 31 December 2014 was approximately HK\$55.1 million, representing a considerable increase of approximately 67.3% as compared to that of approximately HK\$33.0 million of the previous financial year (the “**FY**”) in 2013. The increase was mainly attributable to the business segment of sale of goods. Nevertheless, the Group recorded a loss attributable to owners of the Company of approximately HK\$19.6 million for the FY 2014, representing a decrease of approximately 34.8% as compared to that of approximately HK\$30.0 million for the FY 2013. The decrease in net loss attributable to owners of the Company was mainly attributable to an income tax credit of approximately HK\$8.2 million arising from an over-provision of income tax written back in the FY 2014.

According to the interim report of the Company for the six months ended 30 June 2015 (the “**Interim Report**”), revenue of the Group for the six months ended 30 June 2015 was approximately HK\$51.5 million, representing a significant increase of 8.1 times when compared to that of approximately HK\$6.3 million for the corresponding period in the FY 2014. The significant increase of revenue was mainly attributable to the new business segment of pawn loan financing following the Acquisition of this pawn loan business pursuant to the Sale and Purchase Agreement entered into in November 2014 and completed in January 2015. Meanwhile, the Group recorded a net profit of approximately HK\$112.5 million for the six months ended 30 June 2015 comparing to a loss attributable to owners of the Company of approximately HK\$12.3 million for the corresponding period in the FY 2014. However, if we look into more details of arriving at such profit/loss figures in these two six-month periods, we may note that a one-off gain on disposal of subsidiaries amounted to approximately HK\$127.3 million was recognised during the six months ended

LETTER FROM FIRST SHANGHAI

30 June 2015, excluding which, the Group would have incurred a net loss of approximately HK\$14.8 million instead. In view of such scenario, we may consider that the Group has been heavily relying on the operating performance of its pawn financing operations in Shanghai, the PRC, while the Group has not been operating profitably under normal business circumstances (i.e. without recording the exceptional gain on disposal of subsidiaries) over the past two FYs 2013 and 2014 and the six months ended 30 June 2015.

Further referring to the Interim Report, the Group had unaudited consolidated net asset value of approximately HK\$403.1 million, net current assets of approximately HK\$317.5 million and free bank balances and cash of approximately HK\$241.5 million as at 30 June 2015; whilst it had interest-bearing borrowings of approximately HK\$278.7 million and hence a gearing ratio of approximately 69.1% (i.e. being calculated as the aggregate interest-bearing borrowings to be divided by the net asset value of the Group) as at 30 June 2015. Such financial indicators showed that the Group's financial and liquidity position was rather healthy, but with a relatively higher gearing level.

2. Background of the Second Supplemental Agreement

On 8 January 2016, the Company entered into the Second Supplemental Agreement to the Sale and Purchase Agreement with the Vendors and the Vendors Guarantor to amend certain terms of the Sale and Purchase Agreement. 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 FY ended 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 FY ending 31 December 2016.

LETTER FROM FIRST SHANGHAI

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 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 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 within 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 Revised Put Option Period.

While the Put Option was originally put in place to safeguard the interests 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 (as defined below). As such, the Company currently has no intention to exercise the Put Option. The Company will comply with the relevant requirements of the Listing Rules if the Company exercises or does not exercise the Put Option (other than the Put Option lapsed pursuant to the Sale and Purchase Agreement and the Second Supplemental Agreement).

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 of the Convertible Notes.

LETTER FROM FIRST SHANGHAI

Due to the revisions of the Put Option Period, the conversion period of the Convertible Notes, of which the 2014 Convertible Note with aggregated principal amount of HK\$85,401,768.19 has been issued on 3 June 2015, shall commence from the date upon the expiry of the Revised Put Option Period and ending on the 21st Business Day before the maturity date of the Convertible Notes.

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 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 (including the issuance and allotment of the Conversion Shares under the specific mandate);
- (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 (including the Listing Committee granting approval for the listing of, and permission to deal in, the Conversion Shares).

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

As at the Latest Practicable Date, save for condition (b) above has been fulfilled, none of the above conditions have been fulfilled.

LETTER FROM FIRST SHANGHAI

3. Reasons for the proposed Amendments

As already disclosed in the Interim Report, the segment revenue and profit before taxation of the Group's pawn loan financing business was approximately HK\$44,705,000 and approximately HK\$27,621,000 respectively. The revenue and the net profit of the Group's pawn loan financing business has been stable since the Completion Date and its performance has been maintained to be operationally efficient and financially sound while its financial performance has been contributing positively to the operating results of the Group as a whole during the year ended 31 December 2015.

On 3 June 2015, the 2014 Convertible Note with aggregated principal amount of HK\$85,401,768.19 was issued. Based on the Conversion Price of HK\$0.24, a total of 355,840,700 Conversion Shares will be issued and allotted upon full conversion of the 2014 Convertible Note. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, all the Noteholders have intention to exercise the Convertible Notes, subject to the market sentiment of the stock market.

Given 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, the Vendors initiated to make the Amendments to shorten the conversion period of the Convertible Notes.

As mentioned in the "Letter from the Board" of the Circular, the Board is of the view that the advantages of the Amendments are as follows:

- (i) the Group's net asset value is increased as a result of the reduction in liabilities arising from the Convertible Notes which would be beneficial to the Company in eliminating its possible future financial burden, in particular view of the persistent uncertainty in the global financial markets and business environment;
- (ii) after conversion of the Convertible Notes, the revaluation of the Convertible Notes is not required every year, and there will not be any material fluctuation in the profit or loss of the Group as a result of the revaluation of the Convertible Notes;
- (iii) the Group's capital base is enlarged as a result of the issuance of the Conversion Shares by way of reclassifying the non-current liabilities in respect of the Convertible Notes to equity account of the Company; and
- (iv) it provides further incentives to Mr. Lang, who is the general manager and director of the Target Group, by way of recognition of Mr. Lang's contribution to the Target Group.

LETTER FROM FIRST SHANGHAI

The Board is of the view that the disadvantage of the Amendments is the early dilution effect of the shareholding of the existing Shareholders.

On 3 June 2015, the 2014 Convertible Note with aggregated principal amount of HK\$85,401,768.19 was issued. Based on the Conversion Price of HK\$0.24, a total of 355,840,700 Conversion Shares will be issued and allotted upon full conversion of the 2014 Convertible Note. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, all the Noteholders have intention to exercise the Convertible Notes, subject to the market sentiment of the stock market.

Given Mr. Lang is the general manager and director of the Target Group, who is involved in leading the management team of the Target Group, namely, Ms. Xu Yun (deputy general manager), Mr. Wang Guofeng (general manager and director) and Mr. Huang Qing (deputy general manager), to identify customers as well as monitor the overall performance and credit risks of the Target Group, the Board is of the view that the Amendments (in particular, the early expiry of the Put Option Period) can remove the uncertainty for Mr. Lang in respect of the timing of conversion of the Convertible Notes and serve as a recognition of Mr. Lang's performance, while the early conversion of the Convertible Notes can further motivate Mr. Lang to lead the management team of the Target Group for a better performance in the future.

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 fact that the relevant management accounts were 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 Note and 2016 Convertible Note; 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 (including the independent non-executive Directors) consider that 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. We basically concur with the Board view in these regards, and will provide further analysis and explanation to reach our concurrence below.

Based on our review of the (i) audited financial statements of the Target Group for the FY ended 31 December 2014 issued by RSM Nelson Wheeler on 5 March 2015, the 2014 Net Profit was HK\$19,944,001, which had exceeded the 2014 Performance Target of HK\$15.0 million; and (ii) unaudited management accounts of the Target Group for the FY ended 31 December 2015 provided by the Management, the preliminary 2015 Net Profit is currently estimated to be not less than HK\$35.0 million (subject to finalisation of audit),

LETTER FROM FIRST SHANGHAI

which shall also have exceeded the 2015 Performance Target of HK\$25.0 million. We also noted from such audited 2014 financial statements and unaudited 2015 financial statements that the Performance Targets had already been achieved by the Target Group based on its profit from ordinary and usual course of business, instead of relying on any one-off extraordinary item(s) recognized in these two financial years. Given that the Target Company has already achieved its 2014 Performance Target based on its audited accounts, and its financial performance up to 31 December 2015 based on the fact that the relevant unaudited management accounts were in line with achieving the 2015 Performance Target, we consider that the key conditions of the Sale and Purchase Agreement for protecting the Shareholders' interests in the Acquisition, in substance, have already been achieved, whilst the Put Option previously granted by the Vendors to the Company is now regarded as meaningless because the Company currently has no intention to exercise the Put Option after the Directors' consideration that the actual operating and financial performance of the Target Group for the two FYs 2014 and 2015 had already been well above the Performance Targets, and accordingly there would be no serious concern or prejudice to the interests of the Group and the Shareholders as a whole, so the Amendments are fair and reasonable in so far as the Independent Shareholders are concerned and on normal commercial terms, notwithstanding the Convertible Notes themselves are non-interest bearing and with the Maturity Date on the 5th anniversary of the issue date. However, the Amendments in nature are ancillary subsequent alterations to the original arrangement(s) under the Sale and Purchase Agreement, which shall be regarded as corporate financing activities instead of usual operating activities of the Group, and therefore are not conducted in the ordinary and usual course of business of the Group.

Further considering that the Group has not been operating profitably (i.e. without recording the exceptional gain on disposal of subsidiaries) over the past two FYs 2013 and 2014 and the six months ended 30 June 2015, while it also had a relatively higher gearing level at approximately 69.1% as at 30 June 2015. The aim of the Amendments is to allow earlier conversion of the Convertible Notes from the expiry date of the Revised Put Option Period, and as a consequence, would likely cause the Convertible Notes being converted into Shares as soon as possible, in particular view of the (i) recent very volatile market condition and deteriorating economic environment in the PRC and Hong Kong; (ii) the wide range of fluctuation of closing Share prices during the past almost one year within HK\$0.335 on 9 January 2015 to HK\$1.776 on 24 December 2015; (iii) generally declining trend of the Share price performance recently since 24 December 2015 with the highest closing Share price of HK\$1.776 on that day to HK\$1.190 as at the Latest Practicable Date; and (iv) a sudden significant drop of Share price to a day-low of HK\$0.390 recorded on 12 January 2016, which would eliminate the Company's probable redemption obligation for the Convertible Notes upon their maturity once all or some of them have not yet been converted into Shares.

LETTER FROM FIRST SHANGHAI

In a general event once convertible notes are granted to their holders, there would be no concern and/or adverse effect to the convertible note-issuer as to whether the conversion price is subsequently at a significant premium over, or deep discount to, the prevailing share price in the market. Any convertible note-holders taking advantage from the stock market by exercising their conversion rights and then selling the relevant conversion shares in the market would never be detrimental to the interests of that convertible note-issuer itself and its shareholders as a whole. Given the adjusted conversion price of the Convertible Notes of HK\$0.24 (after adjustment for the share subdivision as referred to in the circular of the Company dated 8 December 2015) per Conversion Share had already been compromised and fixed at the time of Acquisition for the pawn loan financing business in November 2014, we consider that the current Share price representing a significant premium over the conversion price, and any possible earlier conversion of the Convertible Notes, would not be detrimental to the interests of the Company and the Independent Shareholders, and therefore is fair and reasonable and in the interests of the Company and the Shareholders as a whole, notwithstanding the Convertible Notes themselves are non-interest bearing and with the Maturity Date on the 5th anniversary of the issue date. Notably, based on the Interim Report, the Conversion Price of HK\$0.24 per Conversion Share is at a significant premium of approximately 92.0% over the unaudited net asset value per Share of approximately HK\$0.125 per Share attributable to the Shareholders as at 30 June 2015.

Even though the Management is optimistic about the long-term development of the Group, in a probable event of the Share price declining continuously to below HK\$0.240 (i.e. the adjusted conversion price of the Convertible Notes after the share subdivision) for a persistent longer period which is beyond its control in view of the recent adverse market sentiment in the PRC as well as Hong Kong, the willingness of exercising the Conversion Rights attaching to the Convertible Notes by the Noteholders would diminish gradually. On such basis, it is necessary and expedient for the Group to allow earlier conversion of the Convertible Notes, which in turn would preserve its cash resources on the one hand, and alleviate its present/future financial burden/commitment on the other hand, so as to improve the overall liquidity and financial stability position of the Group in view of the current uncertain business environment and volatile financial markets all over the world.

In addition, we noted that the Group has been heavily relying on its new pawn loan financing operations commencing from the FY 2015 and in the near future, which are being principally managed by Mr. Lang, so it shall be expedient to better secure his continuous support by increasing his long-term devotion to the Group by directly holding shareholding interests in the Company through the possible earlier conversion of the Convertible Notes into Shares following implementation of the Amendments. Following such conversion, Mr. Lang and other management members of the Group, who may also be the Shareholders, could directly enjoy any benefit and return from the Group's business development and profitable pawn loan financing operations by way of any dividend distribution and enhancement of Share value in the foreseeable future.

LETTER FROM FIRST SHANGHAI

4. Effect of the Amendments

The effects of the Amendments are listed as follows:

The Revised 2015 Convertible Note Issue Date and the Revised 2016 Convertible Note Issue Date

Pursuant to the Second Supplemental Agreement, each of the issue date of the 2015 Convertible Note and 2016 Convertible Note shall be shortened by 55 Business Days, by amending from the original 60th Business Day to the current 5th Business Day after the issue of the respective audited consolidated financial statements of the Target Group for the year ended 31 December 2015 and for the year ending 31 December 2016.

The Revised Put Option Period

Pursuant to the Second Supplemental Agreement, the commencement of the Put Option Period shall remain unchanged, being the Completion Date, whilst the expiry of the Put Option Period shall be shortened by 85 Business Days, from the original 90th Business Day to the current 5th Business Day after the issue of the audited consolidated financial statements of the Target Group for the year ended 31 December 2015.

Revised Conversion Period of the Convertible Notes

Pursuant to the terms of the Convertible Notes, the conversion period of the Convertible Notes shall commence from the date upon the expiry of the Put Option Period, being the 90th Business Day after the issue of the audited consolidated financial statements of the Target Group for the year ended 31 December 2015 and ending on the 21st Business Day before its maturity date. However, due to the revisions of the Put Option Period, the commencement of the conversion period of the Convertible Notes shall be amended to 5th Business day after the issue of the audited consolidated financial statements of the Target Group for the year ended 31 December 2015, whilst the expiry will remain unchanged, being the date upon the expiry of the Put Option Period.

The reasons for setting the original issue date of the Convertible Notes, being 60 Business Days after the issuance of the audited consolidated financial statements, were mainly because (i) the Acquisition was completed in January 2015; and (ii) the audited consolidated financial statements of the Target Group for the year ended 31 December 2014 was agreed to be prepared by an independent auditor of the Target Group. Therefore, a period of 60 Business Day was to allow sufficient time for the auditor of the Company to perform a review on the audited consolidated financial statements of the Target Group which was prepared by an independent auditor of the Target Group.

LETTER FROM FIRST SHANGHAI

Meanwhile, the set up of the Put Option Period was also to enable the Company to have sufficient time to review the financial and operational performance of the Target Group prior to deciding whether to exercise or not to exercise the Put Option for the purpose of safeguarding the interests of the Company.

Commencing from the year ended 31 December 2015, the Target Group has been consolidated into the Group for the year ended 31 December 2015 since its completion in January 2015. Therefore, the audit of the Target Group is now performed by the auditor of the Company, and the Company Auditor's Review is no longer required. In the mean time, according to the audited 2014 financial statements, and unaudited 2015 financial statements, the Target Group has managed to achieve the 2014 Performance Target and 2015 Performance Target. As such, the Company has no intention to exercise the Put Option for the time being.

Therefore, the Board considered that the shortened time for the issue of the 2015 Convertible Note and the 2016 Convertible Note and the Put Option Period are sufficient, fair and reasonable and in the interests of the Company and the Shareholders as a whole. We concur with the Board's view in these regards.

5. Financial effect of the Amendments on the Group

Earnings

There will be no immediate direct and material impact on earnings of the Group upon the Amendments becoming effective, since there would be no interest saving effect arising from any possible earlier conversion, as the case maybe, of the Convertible Notes as the Convertible Notes are not interest-bearing in nature.

Working capital

It is expected that there would be no cash flow effect arising from the Amendments as the aggregate principal amount of the Convertible Notes of approximately HK\$85.4 million was recognised in the consolidated financial statements of the Group by way of aggregate Consideration paid for the Acquisition of the pawn loan financing business upon its completion in January 2015, any possible earlier conversion thereof would merely be leading to an accounting treatment to reclassify the Convertible Notes from non-current liabilities to equity of the Group. After which, the Group's capital and shareholder base would be enhanced accordingly.

Based on the Annual Report and Interim Report, the Group had not been generating positive net operating cash inflow in its ordinary and usual course of business for the two years ended 31 December 2014 and the six months ended 30 June 2015, it might exert additional pressure on the Group to deploy adequate cash

LETTER FROM FIRST SHANGHAI

resources to redeem all the Convertible Notes up to the maximum principal amount of HK\$180 million, as if the Noteholders would not exercise their Conversion Rights to convert the Convertible Notes into Conversion Shares by the Maturity Date.

Gearing position

Based on the Interim Report, the Group had unaudited consolidated net asset value and aggregate interest-bearing borrowings of approximately HK\$403.1 million and HK\$278.7 million, respectively, as at 30 June 2015, representing a relatively higher gearing ratio (i.e. being calculated as the aggregate interest-bearing borrowings to be divided by the net asset value of the Group) of approximately 69.1% thereof. The Directors have expected that the Group's capital base would be enhanced while its gearing level would be improved by possible increase in net asset value, following the Amendments becoming effective in conjunction with possible earlier conversion of the Convertible Notes.

Net asset value

According to the Interim Report, the Group had unaudited consolidated net asset value of approximately HK\$403.1 million as at 30 June 2015 and 3,234,353,355 Shares in issue as at the Latest Practicable Date, representing a net asset value per Share of approximately HK\$0.125. The adjusted conversion price of the Convertible Notes of HK\$0.24 (after adjustment for the share subdivision as referred to in the circular of the Company dated 8 December 2015) per Conversion Share represents a significant premium of approximately 92% over the unaudited consolidated net asset value per Share attributable to the Shareholders of approximately HK\$0.125 as at 30 June 2015. Assuming the Amendments would lead to earlier conversion of all the outstanding Convertible Notes in full shortly, it is estimated that the total net asset value of the Group and net asset value per Share would increase to approximately HK\$454.1 million and HK\$0.126, respectively, upon full conversion of all the outstanding Convertible Notes of approximately HK\$85.4 million into 355,840,700 Shares at that time.

LETTER FROM FIRST SHANGHAI

6. Dilution effect in shareholding

Based on the shareholding structure of the Company as at the Latest Practicable Date, 2,202,719,840 Shares were held by public Shareholders, representing approximately 68.1% of the issued share capital of the Company. Assuming full conversion of the Convertible Notes resulting from possible earlier conversion into Conversion Shares, corresponding shareholding of public Shareholders will be diluted to approximately 55.3%. In view of such scenario, the shareholding dilution effect appears to be not so material, while such dilution effect is inevitable on the grounds that the Company had already issued the Convertible Notes to settle the Consideration for the Acquisition in January 2015 which bear relatively attractive terms, including a lower Conversion Price. At the time of issue of the Convertible Notes, the Conversion Price was closer to the then current market price of the Shares. Nevertheless, the Amendments will exonerate the requirement for the Group to repay the Convertible Notes at the Maturity Date in few years later and allow the Group to retain funds as its general working capital.

However, Independent Shareholders should note that dilution effect on earnings per Share and shareholding is inevitable for the issue of convertible notes, they would face a similar level of dilution if a placing as well as a rights issue or an open offer of similar size to the issue of the Convertible Notes is proceeded instead of the issue of the Convertible Notes and their subsequent conversions while the Shareholders do not subscribe for the new Shares in full (under the rights issue or the open offer). Having considered the possible enhancement and broadening of shareholders' and capital base of the Company upon possible earlier conversion of the Convertible Notes, we consider that the dilution effect on the shareholding is inevitable for the possible issue of new Shares and therefore acceptable, though on its own is not favourable, so far as the Independent Shareholders are concerned after taking into account of the possible increase in the consolidated net asset value per Share after any possible earlier conversion of the Convertible Notes into new Conversion Shares. Independent Shareholders may consider to sell their shareholding interests in the Company prior to the forthcoming SGM, if they consider the risks of any possible dilution of their shareholding interests in the Company are high as a consequence of the Amendments leading to any possible selling pressure from disposal of the Conversion Shares by the Noteholders.

LETTER FROM FIRST SHANGHAI

RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the view that the Amendments are ancillary subsequent alterations to the original arrangements under the Sale and Purchase Agreement, which shall be regarded as corporate financing activities instead of usual operating activities of the Group, and therefore are not conducted in the ordinary and usual course of business of the Group; but the Amendments are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Shareholders as well as the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the (i) Amendments to the Sale and Purchase Agreement and the transactions contemplated thereunder; and (ii) specific mandate for the allotment and issue of the Conversion Shares.

Yours faithfully,

For and on behalf of

First Shanghai Capital Limited

Fanny Lee

Nicholas Cheng

Managing Director

Director

Note:

Ms. Fanny Lee and Mr. Nicholas Cheng have been the Responsible Officers of Type 6 (advising on corporate finance) regulated activity under the SFO and have over 10 years of experience in corporate finance industry. Both of them have participated in the provision of independent financial advisory services for various connected transactions involving companies listed in Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

2. DIRECTORS' INTERESTS

Interests of Directors in the Company and associated corporations of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

Long position in Shares and underlying Shares

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Mr. Lang (<i>Note 1</i>)	Corporate interests	705,000,000	21.80%
Mr. Shao Yonghua (“ Mr. Shao ”) (<i>Note 2</i>)	Corporate interests	538,500,000	16.65%
Ms. Ma Xiaoling (<i>Note 3</i>)	Corporate interests	201,061,280	6.22%

Notes:

1. As at the Latest Practicable Date, Mr. Lang, a non-executive Director, is the beneficial owner of the entire issued share capital of Rosy Start, Equity Partner and Century Best. 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 Latest Practicable Date) and which may be converted into 300,000,000 Shares, 112,500,000 Shares and 292,500,000 Shares, respectively according to the Sale and Purchase Agreement. Mr. Lang is therefore taken to be interested in an aggregate of 705,000,000 Shares through Rosy Start, Equity Partner and Century Best. Mr. Lang is a director of each of Rosy Start, Equity Partner and Century Best.
2. 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. Ample Sleek is wholly owned by Mr. Shao, an executive Director and the chairman of the Company 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. Mr. Shao is a director of Ample Sleek and Long Tu.
3. The entire issued share capital of Keenlead Holdings Limited is wholly and beneficially owned by Ms. Ma Xiaoling, a non-executive Director. Ms. Ma Xiaoling is a director of Keenlead Holdings Limited.

Short position in Shares and underlying Shares

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Mr. Lang (<i>Note 4</i>)	Corporate interests	705,000,000	21.80%

Note:

4. As at the Latest Practicable Date, the Convertible Notes are subject to the Put Option, so Rosy Start, Equity Partner and Century Best are taken to have a short position of 300,000,000 Shares, 112,500,000 Shares and 292,500,000 Shares respectively in the Company. Mr. Lang is therefore taken to have a short position of 705,000,000 Shares in the Company through Rosy Start, Equity Partner and Century Best.

Long positions in the shares of the Company's associated corporations (within the meaning of Part XV of the SFO)

Name	Name of associated corporation	Capacity	Class	Number of shares/amount of registered capital	Approximate percentage of shareholding
Mr. Shao Yonghua	Intraday Financial Information Service Limited	Corporate interests (Note 5)	ordinary	55 shares	55%
	aBCD Enterprise Limited	Corporate interests (Note 5)	ordinary	3 shares	100%
	Dingtai Runhe Investment Consulting (Shanghai) Co., Ltd.* (鼎泰潤和投資諮詢(上海)有限公司)	Corporate interests (Note 5)	Registered capital	RMB1,000,000	100%

Note:

5. 65.8% of the issued share capital of Long Tu is owned by Ample Sleek, which is wholly owned by Mr. Shao. Long Tu is the legal and beneficial owner of 55 shares of Intraday Financial Information Service Limited (“**Intraday**”), which is 55% of its issued share capital, whilst the remaining 45 shares, which represents 45% of the issued share capital of Intraday, is owned by the Company. Intraday is the legal and beneficial owner of 3 shares of aBCD Enterprise Limited (“**aBCD**”), which is 100% of its issued share capital. aBCD is the holder of RMB1,000,000 of the registered capital of Dingtai Runhe Investment Consulting (Shanghai) Co., Ltd.* (鼎泰潤和投資諮詢(上海)有限公司), which is its entire equity interest.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors, chief executive or their associates had any interests and short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or (b) were recorded in the register required to be kept under section 352 of the SFO, or (c) were otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules.

Interests in assets

As at the Latest Practicable Date, save as disclosed as follows, none of the Directors has any direct or indirect interest in any assets acquired or disposed of by or leased to any member of the Group or is proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2014, being the date to which the latest published audited accounts of the Company were made up.

* for identification purpose only

On 20 November 2014, the Vendors and the Vendors Guarantor, entered into the Sale and Purchase Agreement with the Company in respect of the acquisition of the entire issued share capital of Target Company. The Acquisition was completed on 21 January 2015. The Consideration was satisfied by the Company by way of issue of the Convertible Notes in the following manner:

- (a) at the 60th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2014, a sum of HK\$80,000,000 (subject to adjustment) will be paid by way of issue of the Convertible Notes to Rosy Start, Equity Partner, Century Best and Asiabiz;
- (b) at the 60th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2015, a sum of HK\$35,000,000 (subject to adjustment) will be paid by way of issue of the Convertible Notes to Rosy Start, Equity Partner, Century Best and Asiabiz;
- (c) at the 60th Business Day after the issue of the audited accounts of the Target Company for the financial year ending 31 December 2016, a sum of HK\$35,000,000 (subject to adjustment) will be paid by way of issue of the Convertible Notes to Rosy Start, Equity Partner, Century Best and Asiabiz;

The Consideration of the Sale and Purchase Agreement is proposed to be amended according to the Second Supplemental Agreement.

Pursuant to the sale and purchase agreement dated 15 April 2015 entered into among the Company as purchaser, Long Tu as vendor, Mr. Shao as vendors' guarantor as amended by the first supplemental agreement dated 10 June 2015 and the second supplemental agreement dated 25 June 2015, the Company acquired 45% of the entire issued share capital of Intraday. The acquisition was completed on 8 July 2015. The consideration was HK\$272,840,000 and was satisfied by the Company by way of issue of 71,800,000 shares of HK\$0.005 each to Long Tu.

Interests in contract or arrangement

As at the Latest Practicable Date, other than the Second Supplemental Agreement, none of the Directors is materially interested in contract or arrangement subsisting which is significant in relation to the business of the Group.

Competing business

As at the Latest Practicable Date, to the best knowledge and belief of the Directors after having made all reasonable enquiries, none of the Directors and their respective close associates have any interest in business which competed or were likely, either directly or indirectly, to compete with the business of the Group.

3. SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, the persons/companies, other than a Director or chief executive of the Company, who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital were as follows:

Long position in Shares and underlying Shares

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Rosy Start (<i>Note 1</i>)	Beneficial owner	300,000,000	9.28%
Equity Partner (<i>Note 1</i>)	Beneficial owner	112,500,000	3.48%
Century Best (<i>Note 1</i>)	Beneficial owner	292,500,000	9.04%
Long Tu (<i>Note 2</i>)	Beneficial owner	538,500,000	16.65%
Keenlead Holdings Limited (<i>Note 3</i>)	Beneficial owner	201,061,280	6.22%
Grand Wealth Asia Pacific Limited	Beneficial owner	292,072,235	9.03%

Notes:

- As at the Latest Practicable Date, Rosy Start, Equity Partner and Century Best are 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 Latest Practicable Date) and which may be converted into 300,000,000 Shares, 112,500,000 Shares and 292,500,000 Shares, respectively according to the Sale and Purchase Agreement. Mr. Lang is a director of each of Rosy Start, Equity Partner and Century Best.
- Long Tu is the owner of 538,500,000 Shares. Mr. Shao is a director of Long Tu.
- Keenlead Holdings Limited is the owner of 201,061,280 Shares. Ms. Ma Xiaoling is a director of Keenlead Holdings Limited.

Short position in Shares and underlying Shares

Name	Capacity	Number of Shares	Approximate percentage of shareholding
Rosy Start (<i>Note 4</i>)	Beneficial owner	300,000,000	9.28%
Equity Partner (<i>Note 4</i>)	Beneficial owner	112,500,000	3.48%
Century Best (<i>Note 4</i>)	Beneficial owner	292,500,000	9.04%

Note:

4. As at the Latest Practicable Date, the Convertible Notes are subject to the Put Option, so Rosy Start, Equity Partner and Century Best are taken to have a short position of 300,000,000 Shares, 112,500,000 Shares and 292,500,000 Shares respectively in the Company.

Save as disclosed above, as at the Latest Practicable Date, so far as is known to the Directors and chief executive of the Company, no other parties (other than a Director or chief executive of the Company) who had interests or short positions in the Shares and underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, who was, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group or had any options in respect of such capital.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2014, the date to which the latest published audited consolidated accounts of the Group were made up.

5. EXPERT'S QUALIFICATIONS AND CONSENT

The following are the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualifications
First Shanghai	a licensed corporation under SFO to carry out type 6 (advising on corporate finance) of the regulated activity

As at the Latest Practicable Date, First Shanghai does not hold any shares of any member of the Group and does not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group.

As at the Latest Practicable Date, First Shanghai did not have any direct or indirect interest in any assets which has been acquired or disposed of by or leased to the Group or are proposed to be acquired or disposed of by or leased to the Group since 31 December 2014, being the date up to which the latest published audited consolidated accounts of the Company was made up.

As at the Latest Practicable Date, First Shanghai has given and has not withdrawn its written consent to the issue of the Circular with the inclusion of its letter and reference to its name in the form and context in which it appears.

6. SERVICE CONTRACTS

As at the Latest Practicable Date, each of the executive Directors has entered into a service agreement with the Company. The terms and conditions of each of such service agreements are similar in all material respects. The service agreements are initially for a fixed term of three years and will continue thereafter until terminated by at least three months' written notice or payment in lieu to the other party. The current basic annual remuneration (excluding discretionary bonus) of the executive Directors are as follows:

Name	Amount <i>(HK\$)</i>
Mr. Shao Yonghua	2,400,000
Mr. Chen Ningdi	2,400,000
Ms. Chan Siu Mun	1,800,000

As at the Latest Practicable Date, each of the non-executive Directors has entered into a letter of appointment with the Company. The terms and conditions of each of such letters of appointment are similar in all material respects. The letters of appointment are initially for a fixed term of three years and will continue thereafter until terminated by at least three months' written notice or payment in lieu to the other party. The current basic annual remuneration (excluding discretionary bonus) of the non-executive Directors are as follows:

Name	Amount <i>(HK\$)</i>
Mr. Joseph Shie Jay Lang	360,000
Ms. Ma Xiaoling	360,000

As at the Latest Practicable Date, each of the independent non-executive Directors has entered into a letter of appointment with the Company. The terms and conditions of each of such letters of appointment are similar in all material respects. The letters of appointment are initially for a fixed term of three years and will continue thereafter until terminated by at least three months' written notice or payment in lieu to the other party. The current basic annual remuneration (excluding discretionary bonus) of the independent non-executive Directors are as follows:

Name	Amount <i>(HK\$)</i>
Mr. Jin Bingrong	360,000
Mr. Kwan Kei Chor	360,000
Dr. Rui Mingjie	360,000

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours at the principal place of business of the Company at Suites 3001-11, 30/F., Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong for a period from the date of this Circular up to and including the date of the SGM:

- (a) the service agreements and appointment letters referred to in the paragraph headed "Service Contracts" in this appendix;
- (b) the Sale and Purchase Agreement; and
- (c) the Second Supplemental Agreement.

NOTICE OF SPECIAL GENERAL MEETING



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>

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that a special general meeting (the “**Meeting**”) of Greater China Financial Holdings Limited (the “**Company**”) will be held at Suites 3001-11, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong on Thursday, 25 February 2016 at 11:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions as ordinary resolutions:

ORDINARY RESOLUTION 1

“**THAT**:–

- (a) the second supplemental agreement dated 8 January 2016 to the sale and purchase agreement dated 20 November 2014 as amended by the first supplemental agreement dated 3 June 2015 (the “**Sale and Purchase Agreement**”) among Rosy Start Investments Limited, Equity Partner Holdings Limited, Century Best Holdings Limited and Asiabiz Capital Investment Limited as vendors, Mr. Joseph Shie Jay Lang as vendors guarantor and the Company as purchaser in respect of the acquisition of the shares of Oriental Credit Holdings Limited (a copy of which has been produced to the Meeting marked “A” and initialed by the chairman of the Meeting for the purpose of identification) (the “**Second Supplemental Agreement**”) and the performance of the transactions contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) any director of the Company (the “**Director(s)**”) be and is hereby authorised to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to the transactions mentioned in paragraph (a) above.”

NOTICE OF SPECIAL GENERAL MEETING

ORDINARY RESOLUTION 2

“**THAT**:–

- (a) the issue of each of the Convertible Notes (as defined in the Sale and Purchase Agreement and the Second Supplemental Agreement) and its terms and conditions (a copy of which has been produced to the Meeting marked “B” and initialed by the chairman of the Meeting for the purpose of identification) and the transactions contemplated thereunder (including any possible exercise of the conversion rights attaching to the Convertible Notes and subscription of the ordinary shares of the Company on exercise of such conversion rights) be and are hereby approved;

- (b) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited approving the listing of, and granting permission to deal in the Conversion Shares (as defined in the Convertible Notes) to be allotted and issued pursuant to the terms and conditions of the Convertible Notes, and upon the exercise of the conversion rights attaching to the Convertible Notes, the Directors be and are hereby granted a specific mandate (the “**Specific Mandate**”) to allot and issue, credited as fully paid, (i) 625,000,000 ordinary shares of HK\$0.001 each as required under the Sale and Purchase Agreement based on the initial consideration of HK\$150,000,000; and (ii) up to 750,000,000 ordinary shares of HK\$0.001 each based on the adjusted consideration of HK\$180,000,000, in the share capital of the Company as may be required to be allotted and issued upon exercise of the conversion rights under the Convertible Notes at a conversion price of HK\$0.24 per ordinary share of HK\$0.001 each in the share capital of the Company (subject to adjustment), on and subject to the terms and conditions of the Convertible Notes, provided that the Specific Mandate shall be in addition to and shall not prejudice nor revoke the existing general mandate granted to the Directors by the shareholders of the Company in the annual general meeting of the Company held on 30 April 2015; and

NOTICE OF SPECIAL GENERAL MEETING

- (c) the Directors be and are hereby authorised to sign and execute such documents and do all such acts and things which in their opinion may be necessary, desirable or expedient to carry out or give effect to transactions mentioned in paragraphs (a) and (b) above, including where appropriate, agreeing to any non-material amendments to the terms and conditions of the Convertible Notes and any other agreements made in relation thereto to the extent permitted by the Listing Rules (as defined in the circular) and the applicable laws and in the interests of the Company and its shareholders.”

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

Hong Kong, 5 February 2016

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head Office and Principal Place of Business in Hong Kong:

Suites 3001-11
Tower Two, Times Square
1 Matheson Street
Causeway Bay
Hong Kong

NOTICE OF SPECIAL GENERAL MEETING

Notes:

1. A shareholder entitled to attend and vote at the Meeting may appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf. On a poll, votes may be given either personally (or in the case of a shareholder being a corporation, by its duly authorised representative) or by proxy. A proxy need not be a shareholder of the Company.
2. Where there are joint registered holders of any share of the Company, any one of such joint holder may vote at the Meeting, either in person or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders are present at the Meeting the vote of the senior who tenders a vote, whether in person or by proxy, should be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority is determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
3. In order to be valid, the form of proxy duly completed and signed in accordance with the instructions printed thereon together with the power of attorney or other authority, if any, under which it is signed or a certified copy of such power or authority must be delivered to the office of the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the Meeting or any adjournment thereof.
4. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the Meeting if the shareholders so wish.
5. The resolution set out in this notice of special general meeting will be put to shareholders to vote taken by way of a poll.