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KEENLEAD HOLDINGS LIMITED
(incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

UNCONDITIONAL MANDATORY CASH OFFER BY



**ON BEHALF OF KEENLEAD HOLDINGS LIMITED
TO ACQUIRE ALL THE ISSUED SHARES OF HK\$0.005 EACH
IN THE SHARE CAPITAL OF GREATER CHINA HOLDINGS LIMITED
(OTHER THAN THOSE SHARES ALREADY OWNED BY
THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)**

Financial adviser to the Offeror



On 8 June 2005, the Offeror entered into the S&P Agreements with each of the Vendors for the acquisition of the Sale Shares at an aggregate cash consideration of HK\$48,947,000. Completion took place on 8 June 2005, being the date of the S&P Agreements.

Upon Completion, the Offeror and parties acting in concert with it owned an aggregate of 130,108,400 Shares, representing approximately 54.58% of the entire issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, the Offeror is required to make a mandatory unconditional cash offer for all the issued Shares not already owned by the Offeror and parties acting in concert with it.

Pursuant to Rule 8.2 of the Takeovers Code, the offer document containing, amongst other things, the terms of the Offer, together with forms of acceptance and transfer to the Shareholders should normally be posted by or on behalf of the Offeror within 21 days of the date of the announcement of the Offer. The Company is required to despatch a response document in relation to the Offer to the Shareholders within 14 days of the posting of the offer document in accordance with Rule 8.4 of the Takeovers Code. The Offeror and the Company intend to combine the offer document with the response document from the Company in a composite offer document to be posted within the timeframe as required under the Takeovers Code. An independent board committee of the Company will be formed to advise the Independent Shareholders in respect of the Offer. Altus Capital Limited and TIS Securities (HK) Limited have been appointed as the joint independent financial advisers to advise the independent board committee of the Company and the Independent Shareholders in respect of the Offer.

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m. on 6 June 2005 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares from 9:30 a.m. on 20 June 2005.

Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

S&P AGREEMENTS

On 8 June 2005, the Offeror entered into the S&P Agreements with each of the Vendors for the acquisition of the Sale Shares, the principal terms of which are set out as follows:

- Date:** 8 June 2005
- Vendors:**
1. Suntek Corp., being one of the Vendors in respect of 23,186,000 Sale Shares
 2. Billion Charm Holdings Limited, being one of the Vendors in respect of 33,100,000 Sale Shares
 3. Mr. Chen Changgui, being one of the Vendors in respect of 41,608,000 Sale Shares
- Purchaser:** the Offeror, a company incorporated in the British Virgin Islands with limited liability and legally and beneficially wholly owned by Ms. Ma
- Sale Shares:** an aggregate of 97,894,000 Shares, representing approximately 41.06% of the entire issued share capital of the Company as at the date of this announcement. The Sale Shares were acquired free from all Encumbrances and with all rights now or hereafter becoming attached or accruing thereto as from the date of the S&P Agreements.
- Aggregate consideration:** HK\$48,947,000 (equivalent to HK\$0.50 per Sale Share), which was negotiated and determined on an arm's length basis between the Offeror and the Vendors and has been fully paid by the Offeror in cash upon Completion.
- The price of HK\$0.50 per Sale Share represents (a) a premium of approximately 16.28% over the closing price of HK\$0.43 per Share as quoted on the Stock Exchange on 3 June 2005, being the last trading day prior to the suspension of trading in the Shares on 6 June 2005; and (b) a premium of approximately 33.69% over the average closing price of approximately HK\$0.374 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days prior to the suspension of the trading in the Shares on 6 June 2005.
- Completion:** Completion took place on 8 June 2005, being the date of the S&P Agreements.

SHAREHOLDING STRUCTURE

The shareholding structures of the Company immediately before and after Completion are set out as follows:

	Shareholding Structure immediately before Completion		Shareholding structure immediately after Completion	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Suntek Corp. (note 1)	23,186,000	9.726	–	–
Billion Charm Holdings Limited (note 2)	33,100,000	13.885	–	–
Mr. Chen Changgui	41,608,000	17.454	–	–
the Vendors	97,894,000	41.065	–	–
the Offeror	–	–	97,894,000	41.065
China Main (note 3)	32,000,000	13.423	32,000,000	13.423
Madam Zhou Zongfang (note 4)	214,400	0.090	214,400	0.090
the Offeror and parties acting in concert with it	32,214,400	13.513	130,108,400	54.578
Public	108,280,733	45.422	108,280,733	45.422
Total	238,389,133	100.000	238,389,133	100.000

Notes:

1. The entire issued share capital of Suntek Corp. is wholly and beneficially owned by Mr. Chiu Winerthan who does not hold any position in the Group.
2. The entire issued share capital of Billion Charm Holdings Limited is wholly and beneficially owned by Mr. Huang Lai Pei who does not hold any position in the Group.
3. China Main is the beneficial owner of 32,000,000 Shares as at the date of this announcement. As stated in the 2004 annual report of the Company, Shenzhen Venture Capital (BVI) Company Limited (“Shenzhen Venture Capital”) reported that it has a security interest in 32,000,000 Shares. China Main confirmed that such 32,000,000 Shares have been pledged to Shenzhen Venture Capital for securing a loan advanced to China Main. It was further stated in the 2004 annual report of the Company that Shenzhen Venture Capital was owned as to 50% by Mr. Mei Jian and 50% by Mr. Zhang Minlong.
4. Madam Zhou Zongfang is the mother of Ms. Ma and is the beneficial owner of 214,400 Shares as at the date of this announcement.

UNCONDITIONAL MANDATORY CASH OFFER

Immediately before Completion, the Offeror had no interest in the Shares but the parties acting in concert with the Offeror, being China Main and Madam Zhou Zongfang, owned an aggregate of 32,214,000 Shares, representing approximately 13.51% of the existing issued share capital of the Company.

Upon Completion, the Offeror and parties acting in concert with it owned an aggregate of 130,108,400 Shares, representing approximately 54.58% of the existing issued share capital of the Company. Under Rule 26.1 of the Takeovers Code, the Offeror is required to make an unconditional mandatory cash offer for all the issued Shares not already owned by the Offeror and parties acting in concert with it. The Offer is unconditional in all respects.

Principal terms of the Offer

Partners Capital, on behalf of the Offeror, will make the Offer to acquire all the issued Shares not already owned by the Offeror and parties acting in concert with it on the following basis:

For each Share HK\$0.50 in cash

As at the date of this announcement, the Company had 238,389,133 Shares in issue and there are no outstanding warrants, options or securities convertible into Shares.

Hai Xia Finance Limited which is interested in 12,200,000 Shares, representing approximately 5.12% of the total issued share capital of the Company, has undertaken to the Offeror not to accept the Offer and not to dispose of its Shares during the period of the Offer. Hai Xia Finance Limited is a wholly owned subsidiary of Iwai's Investments Limited, which in turn is a wholly owned subsidiary of China Gas Holdings Limited, the issued shares of which are listed on the Main Board of the Stock Exchange. Hai Xia Finance Limited is not acting in concert with the Offeror and its beneficial owner.

There is no arrangement (whether by way of option, indemnity or otherwise) in relation to the shares of the Offeror or the Company which might be material to the Offer.

Comparisons of value

The offer price of HK\$0.50 per Share is equal to the consideration paid by the Offeror for each Sale Share and represents:

- (a) a premium of approximately 16.28% over the closing price of HK\$0.43 per Share as quoted on the Stock Exchange on 3 June 2005, being the last trading day prior to the suspension of trading of the Shares on 6 June 2005;
- (b) a premium of approximately 33.69% over the average closing price of HK\$0.374 per Share over the 10 trading days up to and including 3 June 2005;
- (c) a premium of approximately 28.53% over the average closing price of HK\$0.389 per Share over the 30 trading days up to and including 3 June 2005; and
- (d) a discount of approximately 10.39% to the audited consolidated net tangible asset value per Share of approximately HK\$0.558 as at 31 December 2004 (based on the audited consolidated net tangible assets of the Company of approximately HK\$133,062,000 and 238,389,133 Shares in issue as at the date of this announcement).

Highest and lowest Share prices

The highest and lowest closing prices of the Shares as quoted on the Stock Exchange during the six-month period immediately preceding the last trading day prior to the date of this announcement were HK\$0.56 per Share recorded from 16 March 2005 to 18 March 2005 and HK\$0.26 per Share recorded from 6 December 2004 to 28 December 2004.

Total consideration

As at the date of this announcement, there were 238,389,133 Shares in issue. At the offer price of HK\$0.50 per Share, the entire issued share capital of the Company was valued at approximately HK\$119.2 million.

Based on 108,280,733 Shares subject to the Offer, the Offer is valued at approximately HK\$54.1 million.

The Offeror will finance the Offer by way of bank and securities financing. Partners Capital is satisfied that sufficient financial resources are available to the Offeror to satisfy full acceptance of the Offer.

Effects of accepting the Offer

By accepting the Offer, Shareholders will sell their Shares to the Offeror free from all Encumbrances and with all rights attached to them as at the date of this announcement, including the right to receive all dividends and distributions declared, paid or made on or after the date of this announcement.

Stamp duty

Seller's ad valorem stamp duty at a rate of HK\$1.00 for every HK\$1,000 (or part thereof) of the consideration, or if higher, the market value of the Shares, arising on acceptance of the Offer will be deducted from the consideration due to the relevant Shareholder on acceptance of the Offer. The Offeror will arrange for payment of the stamp duty in connection with the acceptance of the Offer and the transfer of the Shares.

Payment

Payment in cash in respect of acceptances of the Offer will be made within ten days of the date on which the relevant documents of title are received by the Offeror to render each such acceptance complete and valid.

INFORMATION ON THE COMPANY

The Company was incorporated in Bermuda with limited liability and its issued Shares are listed on the Main Board of the Stock Exchange. The principal activities of the Group are property investment, investment holding and production and sale of organic fertilizers.

The following table is a summary of the audited financials of the Group for the two years ended 31 December 2004:

	Year ended 31 December	
	2004	2003
	HK\$'000	HK\$'000
Turnover	15,207	25,287
Profit/(loss) before taxation	11,948	(116,375)
Net profit/(loss) for the year	12,262	(107,791)
Net tangible assets	133,062	101,648
Earnings(loss) per Share	HK\$0.06	HK\$(0.73)
Net tangible value per Share	HK\$0.56	HK\$0.61

INFORMATION ON THE OFFEROR

The Offeror is an investment holding company incorporated in the British Virgin Islands with limited liability on 10 March 2005 and is legally and beneficially wholly owned by Ms. Ma. Save for the entering into of the S&P Agreement, the Offeror has not conducted any business since its incorporation and does not have any assets. Ms. Ma is the sole director of the Offeror.

In addition to her interest in the Offeror, Ms. Ma is a director of China Main which is interested in 32,000,000 Shares, representing approximately 13.42% of the entire issued share capital of the Company as at the date of this announcement. China Main is a company incorporated in Hong Kong with limited liability and owned as to 60% by Centre Mark Development Limited and as to 40% by Sino Elite International Limited. Centre Mark Development Limited is owned as to 99.99% by Mr. Chen Dacheng and as to 0.01% by China Main Group Limited. Sino Elite International Limited is owned as to 99.99% by China Main Group Limited and as to 0.01% by Mr. Pai Chin Ming. China Main Group Limited is owned as to 99% by Mr. Chen Dacheng and as to 1% by Mr. Pai Chin Ming. Mr. Chen Dacheng is principally engaged in property investment, investment in securities and trading in Hong Kong and the PRC and Mr. Pai Chin Ming is principally engaged in property investment in Hong Kong. Neither the funding for the acquisition of the Sales Shares by the Offeror nor the financial resources for the Offer was and will be financed by China Main, Mr. Chen Dacheng and/or Mr. Pai Chin Ming. Both Mr. Chen Dacheng and Mr. Pai Chin Ming do not hold any position in the Group.

Madam Zhou Zongfang, the mother of Ms. Ma, is also interested in 214,400 Shares, representing approximately 0.09% of the entire issued share capital of the Company as at the date of this announcement. Save for the above shareholding in the Company, neither the Offeror, its beneficial owner nor the parties acting in concert with any of them owned any Shares prior to the entering into of the S&P Agreements. Save for the entering into of the S&P Agreements, none of the Offeror, its beneficial owner and parties acting in concert with any of them has dealt in any Shares during the period commencing on the date six months immediately prior to the date of the S&P Agreements and up to the date of this announcement.

INTENTION OF THE OFFEROR REGARDING THE GROUP

The Offeror is optimistic about the property market in Hong Kong and the PRC and intends that the Group will continue its existing businesses, which comprise primarily property investment, and will maintain the listing status of the Company on the Main Board of the Stock Exchange following the close of the Offer. However, the Offeror will conduct a review on the business operation and financial position of the Group for the purpose of formulating business plans and strategies for the future business development of the Group. Subject to the result of the review and should suitable investment or business opportunities arise, the Offeror may consider to further develop the businesses of the Group including, but not limited to, property investments in Hong Kong and the PRC and, subject to market condition, to realise certain property investments and diversify the business scope of the Group with an objective to broaden its income source. However, no such investment or business opportunities have been identified at this stage. The Offeror has no intention to inject the property interests as disclosed in the personal profile of Ms. Ma as set out in this announcement. Any assets injections or disposals by the Group in future will be implemented in accordance with the Listing Rules. The Offeror has no intention to redeploy the employees or the fixed assets of the Group other than in its ordinary course of business.

PROPOSED CHANGE OF BOARD COMPOSITION OF THE COMPANY

The existing executive Directors, namely Mr. Xu Ying and Mr. Liu Ming Hui, and the independent non-executive Directors, namely, Mr. Wang Xianjun, Mr. Wan Tze Fan Terence and Mr. Liu Feng Liang, will resign from their offices as Directors upon the close of the Offer and such resignations will be in full compliance with Rule 7 of the Takeovers Code.

The Offeror intends to nominate Ms. Ma and Mr. Chan Sze Hon as executive Directors and such appointment will not take effect earlier than the date of posting of the offer document subject to the requirements under the Takeovers Code. In addition, the Offeror is in the course of inviting suitable candidates to act as independent non-executive Directors and the nomination of whom has yet to be finalised as at the date of this announcement. Further announcement will be made upon the appointment and resignation of the Director(s) in compliance with the Listing Rules and the Takeovers Code.

Set out below are the biographical details of the proposed executive Directors to be nominated by the Offeror:

Ms. Ma Xiaoling, aged 29, graduated from Lanzhou Commercial College (蘭州商學院) in the PRC majoring in International Trade and obtained a Bachelor Degree in Economics. Ms. Ma has over six years of experience in property development and investments in the PRC and Hong Kong, including investments in luxurious residential property units at Severn Villa, No. 3 Severn Road, Hong Kong and the whole office building at 8 Wyndham Street, Central, Hong Kong. Ms. Ma has been acting as the director of the investment companies holding these Hong Kong properties and has no shareholding interest in such holding companies. Ms. Ma is also interested in 30% of the equity interest in 深圳市亨瑞投資發展有限公司 (Shenzhen Hengrui Investment & Development Co., Ltd.), a company incorporated in the PRC, since 2002 whose principal business is development and operation of a large scale shopping mall known as 大世界商城 (Great World Mall), which comprises seven storeys and two levels of underground car parks with a gross floor area of around 67,000 square metres, in Louhu District, Shenzhen, the PRC. Ms. Ma has been the Vice-Chairman since 2002 and has been responsible for the strategic planning and development, construction, management and operations of 大世界商城 (Great World Mall). Ms. Ma will be responsible for the business development and overall strategic planning of the Group.

Mr. Chan Sze Hon, aged 32, graduated from City University of Hong Kong with a Bachelor of Arts Degree in Accountancy. Mr. Chan is a Certified Public Accountant (Practising) of the Hong Kong Institute of Certified Public Accountants and a fellow of the Association of Chartered Certified Accountants. Mr. Chan will be responsible for the supervision of the operation of the Group with focus on the accounting affairs and financial control of the Group. Mr. Chan has been working with Deloitte Touche Tohmatsu for more than eight years from 1995 to 2004 and was the Chief Financial Officer of a health food and beverage group company in Hong Kong.

Save as disclosed above, it is the intention of the Offeror that there will be no material change in the existing management of the Group.

MAINTAINING THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that if, at the close of the Offer, less than the minimum prescribed percentage applicable to the Company, being 25% of the issued Shares, are held by the public or if the Stock Exchange believes that:—

- a false market exists or may exist in the trading of the Shares; or**
- there are insufficient Shares in public hands to maintain an orderly market;**

it will consider exercising its discretion to suspend dealings in the Shares.

The Offeror intends the Company to remain listed on the Stock Exchange. The sole director of the Offeror and the new Directors to be appointed to the Board will jointly and severally undertake to the Stock Exchange to take appropriate steps to ensure that sufficient public float exists in the Company's Shares.

GENERAL

Partners Capital has been appointed as the financial adviser to the Offeror in respect of the Offer.

Pursuant to Rule 8.2 of the Takeovers Code, the offer document containing, amongst other things, the terms of the Offer, together with forms of acceptance and transfer to the Shareholders should normally be posted by or on behalf of the Offeror within 21 days of the date of the announcement of the offer. The Company is required to despatch a response document in relation to the Offer to the Shareholders within 14 days of the posting of the offer document in accordance with Rule 8.4 of the Takeovers Code. The Offeror and the Company intend to combine the offer document with the response document from the Company in a composite offer document to be posted within the timeframe as required under the Takeovers Code. An independent board committee of the Company will be formed to advise the Independent Shareholders in respect of the Offer. Altus Capital Limited and TIS Securities (HK) Limited have been appointed as the joint independent financial advisers to advise the independent board committee of the Company and the Independent Shareholders in respect of the Offer.

Shareholders and potential investors are advised to exercise extreme caution when dealing in the Shares.

SUSPENSION AND RESUMPTION OF TRADING

At the request of the Company, trading in the Shares has been suspended with effect from 9:30 a.m. on 6 June 2005 pending the release of this announcement. An application has been made by the Company to the Stock Exchange for the resumption of trading of the Shares with effect from 9:30 a.m. on 20 June 2005.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise.

“Board”	the board of directors
“China Main”	China Main Investment (H.K.) Company Limited, a company incorporated in Hong Kong with limited liability and owned as to 60% by Centre Mark Development Limited and as to 40% by Sino Elite International Limited. Centre Mark Development Limited is owned as to 99.99% by Mr. Chen Dacheng and as to 0.01% by China Main Group Limited. Sino Elite International Limited is owned as to 99.99% by China Main Group Limited and as to 0.01% by Mr. Pai Chin Ming. China Main Group Limited is owned as to 99% by Mr. Chen Dacheng and as to 1% by Mr. Pai Chin Ming
“Company”	Greater China Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the S&P Agreements
“Directors”	the director(s) of the Company
“Encumbrances”	all mortgages, charges, pledges, equity rights or other adverse claims or rights of any kind
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholders”	Shareholders other than the Offeror and parties acting in concert with it
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ms. Ma”	Ms. Ma Xiaoling, the beneficial owner and sole director of the Offeror
“Offer”	the unconditional mandatory cash offer to be made by Partners Capital on behalf of the Offeror for all the issued Shares not already owned by the Offeror and parties acting in concert with it as at the date of this announcement
“Offeror”	Keenlead Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and legally and beneficially wholly owned by Ms. Ma
“parties acting in concert”	has the meaning ascribed thereto in the Takeovers Code

“Partners Capital”	Partners Capital International Limited, a corporation licensed to carry on types 1 and 6 regulated activities (dealing in securities and advising on corporate finance) under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the financial adviser to the Offeror in respect of the Offer
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“S&P Agreements”	the three sale and purchase agreements dated 8 June 2005 entered into between the Offeror and each of the Vendors in respect of the acquisition of the Sale Shares by the Offeror from the Vendors
“Sale Shares”	an aggregate of 97,894,000 Shares, representing approximately 41.06% of the entire issued share capital of the Company, being sold by the Vendors to the Offeror pursuant to the S&P Agreements
“SFC”	Securities and Futures Commission of Hong Kong
“Share(s)”	the ordinary share(s) of HK\$0.005 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	Hong Kong Code on Takeovers and Mergers
“Vendors”	Suntek Corp., Billion Charm Holdings Limited and Mr. Chen Changgui
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong from time to time

By Order of the Board
Keenlead Holdings Limited
Ma Xiaoling
Director

By Order of the Board
Greater China Holdings Limited
Xu Ying
Chairman

Hong Kong, 17 June 2005

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Offeror) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than information relating to the Offeror) have been arrived at after due and careful consideration and there are no other facts (other than information relating to the Offeror) not contained in this announcement, the omission of which would make any statement in this announcement (other than information relating to the Offeror) misleading.

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this announcement (other than information relating to the Group and the Vendors) and confirm, having made all reasonable enquiries, that to the best of her knowledge, opinions expressed in this announcement (other than information relating to the Group and the Vendors) have been arrived at after due and careful consideration and there are no other facts (other than information relating to the Group and the Vendors) not contained in this announcement, the omission of which would make any statement in this announcement (other than information relating to the Group and the Vendors) misleading.

As at the date of this announcement, the Board comprises Mr. Xu Ying and Mr. Liu Ming Hui as executive Directors; and Mr. Wang Xianjun, Mr. Wan Tze Fan Terence and Mr. Liu Feng Liang as independent non-executive Directors.

** for identification purpose only*

Please also refer to the published version of this announcement in The Standard.