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**大中華地產控股有限公司**  
**GREAT CHINA PROPERTIES HOLDINGS LIMITED**

*(Incorporated in Hong Kong with limited liability)*

**(Stock Code: 21)**

**CONNECTED TRANSACTION**  
**AND**  
**ISSUE OF SHARES UNDER SPECIFIC MANDATE**

**Financial Adviser**



**BRIDGE PARTNERS CAPITAL LIMITED**

On 22 April 2013 (after trading hours), the Company and Mr. Huang entered into the Settlement Agreement, pursuant to which the Company has conditionally agreed to allot and issue the Settlement Shares and Mr. Huang has conditionally agreed to accept the issue of the Settlement Shares at HK\$0.305 per Settlement Share in full and final satisfaction of the Company's payment obligations in respect of part of the Loan in the amount of HK\$61,983,625 on the terms and subject to conditions set out in the Settlement Agreement. The Settlement Shares, if and when allotted and issued upon Completion, will rank pari passu in all respects with the existing Shares in issue. There will be no restriction on the subsequent sale of the Settlement Shares. Subject to Independent Shareholders' approval at the EGM and the terms of the Settlement Agreement, the Company will allot and issue the Settlement Shares to Mr. Huang under the Specific Mandate.

Mr. Huang is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being a substantial Shareholder, an executive Director and the father of Ms. Huang, an executive Director. Since the relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Settlement Agreement are more than 5% but less than 25% and the total consideration is more than HK\$10,000,000, the transaction under the Settlement Agreement constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and the Independent Shareholders' approval requirements set out under Chapter 14A of the Listing Rules.

In accordance with the Listing Rules, Ms. Huang, Mr. Huang, Brilliant China and their respective associates will be required to abstain from voting at the EGM in respect of the Settlement Agreement and the Specific Mandate. As at the date of this announcement, Ms. Huang is directly interested in 353,667,996 Shares, representing approximately 22.63% of the issued share capital of the Company. Brilliant China, which is wholly owned by Ms. Huang, is interested in 282,133,413 Shares, representing approximately 18.05% of the issued share capital of the Company, and Mr. Huang is interested in 416,203,504 Shares, representing approximately 26.63% of the issued share capital of the Company.

The Company has formed an independent board committee comprising all independent non-executive Directors to advise the Independent Shareholders (i) as to whether the terms of the Settlement Agreement are fair and reasonable; (ii) whether the Settlement Agreement is in the interests of the Company and the Independent Shareholders as a whole; and (iii) on how to vote in respect of the Settlement Agreement and the Specific Mandate, taking into account the recommendations of an independent financial adviser. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

## **GENERAL**

A circular containing, among other things, (i) information on the Settlement Agreement; (ii) the letter of advice from the independent board committee to the Independent Shareholders in relation to the Settlement Agreement and the Specific Mandate; (iii) the letter of advice from an independent financial adviser to both the independent board committee and the Independent Shareholders in relation to the Settlement Agreement and the Specific Mandate; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 14 May 2013 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

**Shareholders and investors should note that the Completion is subject to various conditions as stated in the paragraph headed “Conditions of the Settlement Agreement”. The transactions contemplated under the Settlement Agreement may or may not proceed. Shareholders and investors are therefore urged to exercise caution when dealing in the Shares.**

## **SETTLEMENT AGREEMENT AND ISSUE OF SHARES UNDER SPECIFIC MANDATE**

On 22 April 2013 (after trading hours), the Company and Mr. Huang entered into the Settlement Agreement, pursuant to which the Company has conditionally agreed to allot and issue the Settlement Shares and Mr. Huang has conditionally agreed to accept the issue of the Settlement Shares in full and final satisfaction of the Company’s payment obligations in respect of part of the Loan in the amount of HK\$61,983,625 on the terms and subject to conditions set out in the Settlement Agreement.

Summarised below are the principal terms of the Settlement Agreement:

### **THE SETTLEMENT AGREEMENT**

#### **Date**

22 April 2013

#### **Parties**

The Company

Mr. Huang

#### **Settlement**

As at the date of this announcement, the Company is indebted to Mr. Huang the Loan which is unsecured, interest-free and payable on demand and has remain unpaid. Pursuant to the Settlement Agreement, the Company has conditionally agreed to allot and issue the Settlement Shares at HK\$0.305 per Settlement Share and Mr. Huang has conditionally agreed to accept the issue of the Settlement Shares in full and final satisfaction of the Company’s payment obligations in respect of part of the Loan in the amount of HK\$61,983,625 on the terms and subject to conditions set out in the Settlement Agreement.

## **Settlement Shares**

Based on the 1,562,770,704 Shares in issue as at the date of this announcement, the 203,225,000 Settlement Shares represent approximately 13.00% of the existing issued share capital of the Company and approximately 11.51% of the issued share capital of the Company as enlarged by the issue of the Settlement Shares, assuming there will be no other changes to the total issued share capital of the Company from the date of this announcement up to the Completion Date.

The Settlement Shares will be issued at HK\$0.305 per Settlement Share, which is determined based on arm's length negotiations between the Company and the Mr. Huang with reference to the market conditions and taking into account the recent trading price of the Shares, which represents:

- (i) a discount of approximately 18.67% to the closing price of HK\$0.375 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 19.95% to the average closing price of HK\$0.381 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 20.37% of the average closing price of HK\$0.383 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day; and
- (iv) a premium of 22% of the audited consolidated net asset value per Share HK\$0.250 as at 31 December 2012 (based on the audited consolidated accounts of the Company for the financial year ended 31 December 2012 and the number of issued Shares as at the date of this announcement).

## **Specific mandate to issue the Settlement Shares**

The Settlement Shares will be issued under the Specific Mandate. The Specific Mandate, if approved, will be valid until the completion or termination of the Settlement Agreement, whichever is earlier.

## **Ranking**

The Settlement Shares, if and when allotted and issued upon Completion, will rank pari passu in all respects with the Shares in issue. There will be no restriction on the subsequent sale of the Settlement Shares. Subject to Independent Shareholders' approval at the EGM and the terms of the Settlement Agreement, the Company will issue and allot the Settlement Shares to Mr. Huang under the Specific Mandate. An application will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the listing of and permission to deal in the Settlement Shares.

## **Conditions of the Settlement Agreement**

Completion is conditional, among other things, upon satisfaction (or waiver as applicable) of each of the following conditions:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in the Settlement Shares to be allotted and issued;
- (ii) the Independent Shareholders approving the Settlement Agreement and the allotment and issue by the Company of the Settlement Shares under the Specific Mandate at the EGM; and
- (iii) the grant of the SFC Waiver by the Executive Director of the Corporate Finance Division of the SFC (or any delegate of the Executive Director).

If the conditions specified above are not fulfilled on or before the Long Stop Date, the Settlement Agreement shall immediately terminate thereafter and no party thereto shall have any claims against or liabilities or obligations to the other party save in respect of any antecedent breaches.

## **Completion**

Completion of the Settlement Agreement shall take place on the Completion Date or such other date as Mr. Huang and the Company otherwise agree in writing.

## EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement, and immediately after Completion and allotment and issue of the Settlement Shares (assuming that there will be no other changes to the total issued share capital of the Company from the date of this announcement up to the Completion Date):

Shareholders	As at the date of this announcement		Immediately after Completion and allotment and issue of the Settlement Shares	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Brilliant China <sup>Note 1</sup>	282,133,413	18.05	282,133,413	15.97
Ms. Huang	353,667,996	22.63	353,667,996	20.03
Mr. Huang	416,203,504	26.63	619,428,504	35.08
<b>Sub-total</b>	1,052,004,913	67.31	1,255,229,913	71.08
CCB International Asset Management Limited <sup>Note 2</sup>	37,000,000	2.37	37,000,000	2.09
Public Shareholders	473,765,791	30.32	473,765,791	26.83
<b>Total</b>	<b>1,562,770,704</b>	<b>100.00</b>	<b>1,765,995,704</b>	<b>100.00</b>

*Note 1:* Brilliant China is a company wholly-owned by Ms. Huang.

*Note 2:* Pursuant to an Option Deed dated 31 August 2009 entered into between Mr. Huang and CCB International Asset Management Limited (“CCB International”), Mr. Huang granted an option (the “Put Option”) to CCB International whereby CCB International may request Mr. Huang to purchase all or part of the 50,000,000 Shares under the Put Option (“Option Share”) during a three-year and four-month period ending on 31 December 2012 (as extended) at the consideration of HK\$0.78 (as amended) per Option Share owned by CCB International. On 20 December 2012, CCB International exercised part of the Put Option and requested Mr. Huang to purchase 13,000,000 Option Shares at HK\$0.78 per Option Share from CCB International.

## **FUND RAISING BY THE COMPANY IN THE PAST 12 MONTHS**

The Company has not raised any funds on any issue of equity securities in the past 12 months preceding the date of this announcement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SETTLEMENT AGREEMENT**

The Company is an investment holding company. The principal business activities of the Group are property development and investment and investment holding.

In support of the Company, Mr. Huang has advanced a number of shareholder's loans to the Company. As at the date of this announcement, the Company is indebted to Mr. Huang the Loan amounting to approximately HK\$85,738,079.95, which is unsecured, interest-free and payable on demand. The Directors consider that capitalisation of a substantial part of the Loan by the issue of the Settlement Shares would reduce the outstanding amount of the Loan due to Mr. Huang and as a result improve the financial condition of the Group.

Taking into account the benefits of the Settlement Agreement and having considered the settlement of a substantial part of the Loan in the amount of HK\$61,983,625 by the issue of the Settlement Shares at HK\$0.305 per Settlement Share, the Directors consider that the terms of the Settlement Agreement (including the basis of the issue price per Settlement Share) have been determined on an arm's length basis, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

Mr. Huang is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being a substantial Shareholder, an executive Director and the father of Ms. Huang, an executive Director. Since the relevant applicable percentage ratios (as defined in the Listing Rules) in respect of the Settlement Agreement are more than 5% but less than 25% and the total consideration is more than HK\$10,000,000, the transaction under the Settlement Agreement constitutes a connected transaction for the Company under the Listing Rules and is subject to the reporting, announcement and the Independent Shareholders' approval requirements set out under Chapter 14A of the Listing Rules.

In accordance with the Listing Rules, Ms. Huang, Mr. Huang, Brilliant China and their respective associates will be required to abstain from voting at the EGM in respect of the Settlement Agreement and the Specific Mandate. As at the date of this announcement, Ms. Huang is directly interested in 353,667,996 Shares, representing approximately 22.63% of the issued share capital of the Company. Brilliant China, which is wholly owned by Ms.

Huang, is interested in 282,133,413 Shares, representing approximately 18.05% of the issued share capital of the Company, and Mr. Huang is interested in 416,203,504 Shares, representing approximately 26.63% of the issued share capital of the Company.

The Company has formed an independent board committee comprising all independent non-executive Directors to advise the Independent Shareholders (i) as to whether the terms of the Settlement Agreement are fair and reasonable; (ii) whether the Settlement Agreement is in the interests of the Company and the Independent Shareholders as a whole; and (iii) on how to vote in respect of the Settlement Agreement and the Specific Mandate, taking into account the recommendations of an independent financial adviser. An independent financial adviser will be appointed to advise the independent board committee of the Company and the Independent Shareholders in this regard.

## **GENERAL**

A circular containing, among other things, (i) information on the Settlement Agreement; (ii) the letter of advice from the independent board committee to the Independent Shareholders in relation to the Settlement Agreement and the Specific Mandate; (iii) the letter of advice from an independent financial adviser to both the independent board committee and the Independent Shareholders in relation to the Settlement Agreement and the Specific Mandate; (iv) the notice of the EGM; and (v) other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 14 May 2013 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

**Shareholders and investors should note that the Completion is subject to various conditions as stated in the paragraph headed “Conditions of the Settlement Agreement”. The transactions contemplated under the Settlement Agreement may or may not proceed. Shareholders and investors are therefore urged to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

Unless the context otherwise requires, capitalised terms used in this announcement shall have the following meanings:

“Brilliant China”	Brilliant China Group Limited, a company established under the laws of the British Virgin Islands with limited liability, and which is wholly-owned by Ms. Huang
“Business Day”	any day (excluding a Saturday and Sunday) on which banks in Hong Kong are open for business throughout their normal business hours

“Code”	The Hong Kong Code on Takeovers and Mergers
“Company”	Great China Properties Holdings Limited, a company incorporated in Hong Kong with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion”	completion of the capitalisation of part of the Loan in the amount of HK\$61,983,625 pursuant to the Settlement Agreement
“Completion Date”	on the second Business Day next following the satisfaction of the conditions precedent to the Completion pursuant to the Settlement Agreement
“connected person(s)”	has the same meaning ascribed thereto in the Listing Rules
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held to consider (1) the Settlement Agreement; and (2) the issue of the Settlement Shares under the Specific Mandate
“Group”	the Company and its subsidiaries
“Independent Shareholders”	Shareholders other than Ms. Huang, Mr. Huang, Brilliant China and their respective associates
“Last Trading Day”	22 April 2013, being the last trading day on which the Shares were traded on the Stock Exchange prior to the publication of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Loan”	the principal amount of the shareholder’s loan of (i) HK\$11,300,000 and (ii) RMB59,294,312.53 (equivalent to approximately HK\$74,438,079.95), totalling approximately HK\$85,738,079.95, without interests accrued and unpaid thereon, advanced to the Company by Mr. Huang

“Long Stop Date”	31 July 2013 or such other date as may be agreed between the Company and Mr. Huang
“Mr. Huang”	Mr. Huang Shih Tsai, the Chairman and an executive Director, the father of Ms. Huang and the creditor of the Loan
“Ms. Huang”	Ms. Huang Wenxi, the Chief Executive Officer and an executive Director and a daughter of Mr. Huang
“PRC”	The People’s Republic of China
“Settlement Agreement”	the agreement dated 22 April 2013 entered into between Mr. Huang and the Company in relation to the settlement of part of the Loan in the amount of HK\$61,983,625 by the Company
“Settlement Share(s)”	203,225,000 Shares at an issue price of HK\$0.305 per Settlement Share to be allotted and issued to Mr. Huang by the Company in settlement of part of the Loan in the amount of HK\$61,983,625 pursuant to the Settlement Agreement
“SFC”	the Securities and Futures Commission of Hong Kong
“SFC Waiver”	a waiver, from the SFC pursuant to Note 6 to Rule 26.1 of the Code, of the obligation of Mr. Huang and parties acting in concert (as defined in the Code) with him to make a mandatory general offer for all the Shares not already owned by them immediately after Completion
“Share(s)”	ordinary shares of par value of HK\$0.01 each in the capital of the Company
“Specific Mandate”	the specific mandate to be sought from the Independent Shareholders at the EGM to authorise the Directors to allot and issue up to 203,225,000 Settlement Shares under the Specific Mandate in settlement of part of the Loan in the amount of HK\$61,983,625 pursuant to the Settlement Agreement

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“%”	per cent.

*For the purposes of illustration only, the amounts denominated in RMB in this announcement are translated into HK\$ at the rate of RMB1=HK\$1.2554. Such translation should not be construed as a representation that the currency could actually be converted into HK\$ at that rate or at all.*

By order of the Board  
**Great China Properties Holdings Limited**  
**Huang Shih Tsai**  
*Chairman*

Hong Kong, 22 April 2013

*As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Huang Shih Tsai (Chairman) and Ms. Huang Wenxi (Chief Executive Officer), three independent non-executive Directors, namely Mr. Cheng Hong Kei, Mr. Leung Kwan, Hermann and Mr. Lum Pak Sum.*

*Please also refer to the published version of this announcement on the Company’s website <http://www.greatchinaproperties.com>*