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GREATER CHINA HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock Code: 431)

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

PLACING OF NEW SHARES UNDER GENERAL MANDATE

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The Board announced that on 9 January 2015 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Company appointed the Placing Agent as its placing agent to procure not less than six Placee(s) who are Independent Third Parties to subscribe up to 59,969,422 Placing Shares at a price of HK\$2.00 per Placing Share on a best effort basis, during the Placing Period, on the terms and subject to the condition of the Placing Agreement.

The maximum number of 59,969,422 Placing Shares represents (i) approximately 20.0% of the existing issued share capital of the Company of 299,847,114 Shares as at the date of this announcement; and (ii) approximately 16.7% of the issued share capital of the Company of 359,816,536 Shares as enlarged by the allotment and issue of the Placing Shares.

It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$117 million. The Company intends to apply approximately 65% of the net proceeds from the Placing for the expansion of the pawnshop business and approximately 35% of the net proceeds for general working capital and other potential investments.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Placing Shares.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

* For identification purposes only

THE PLACING AGREEMENT

Date: 9 January 2015 (after trading hours)

Parties (i) Issuer: The Company
(ii) Placing Agent: Orient Securities (Hong Kong) Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Principle terms of the Placing Agreement

Placing Shares: up to 59,969,422 Placing Shares, representing (i) approximately 20.0% of the existing issued share capital of the Company and (ii) approximately 16.7% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The Placing Agent has conditionally agreed to place a maximum of 59,969,422 Placing Shares at the Placing Price on a best effort basis during the Placing Period.

Placing Price: The price of HK\$2.00 per Placing Share was determined after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) the closing price of HK\$2.00 per Share as quoted on the Stock Exchange on 9 January 2015, being the Last Trading Day; and
- (b) a discount of approximately 3.01% to the average closing price of approximately HK\$2.062 per Share as quoted on the Stock Exchange for the five trading days of the Shares immediately prior to the Last Trading Day.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$117 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$1.95.

Placing Commission: The Placing Agent will receive a placing commission of 2.00% of the aggregate Placing Price of the Placing Shares successfully placed by the Placing Agent. The placing commission was determined after arm's length negotiations between the Company and the Placing Agent.

Placees: The Placing Shares are expected to be placed by the Placing Agent to not less than six subscribers who are Independent Third Parties. It is expected that none of the Placees will become a substantial Shareholder (as defined under the Listing Rules) as a result of the Placing.

Ranking of the Placing Shares: The Placing Shares, when issued, will be fully paid up and will rank pari passu in all respects with other Shares in issue at the date of allotment and issue of the Placing Shares and the Placing Shares, when issued, will be free from all liens, charges, encumbrances, together with all rights attaching to them as at the Closing Date.

Condition: The Placing is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant the approval for the listing of, and permission to deal in, the Placing Shares; and
- (b) the Bermuda Monetary Authority and other governmental or regulatory authority granting approval for the issue and allotment of the Placing Shares by the Company pursuant to the Placing (if required).

The above conditions cannot be waived by any party. Each of the Company and the Placing Agent shall use their respective reasonable endeavours to procure the satisfaction of the conditions, but if the conditions have not been satisfied at or prior to 5:00 p.m. on 30 January 2015 or such later date as may be agreed, all the obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in relation thereto.

Termination: If at any time between the date of the Placing Agreement and at or before 9:00 a.m. on the Closing Date, there occurs:

- (a) the Company commits any material breach of or omits to observe any of its obligations or undertakings under the Placing Agreement of which in the reasonable opinion of the Placing Agent, this will constitute a material adverse change in the financial or trading position or prospects of the Company or will have a material prejudicial effect on the Placing; or

- (b) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving notice to the Company terminate the Placing Agreement with immediate effect.

Completion: Completion is expected to take place at 10:00 a.m. (Hong Kong time) on the third Business Day after fulfilment of the conditions precedent or such other date as the Company and the Placing Agent may agree in writing

Application for listing: Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

General Mandate

Upon Completion, a maximum of 59,969,422 new Shares will be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with up to 59,969,422 Shares, representing approximately 20.0% of the issued share capital of the Company as at the annual general meeting of the Company held on 20 June 2014 approving the General Mandate. As at the date of this announcement, no part of the General Mandate have been utilised by the Company. Accordingly, the Placing is not subject to the Shareholders' approval.

REASONS FOR THE PLACING AND THE USE OF PROCEEDS

The Group is principally engaged in (i) investment holding; (ii) industrial property development; and (iii) general trading including trading of metal materials. As mentioned in the announcement of the Company dated 21 November 2014 and the circular of the Company dated 24 December 2014, the Company entered into a sale and purchase agreement to acquire a target group which is principally engaged in pawnshop business in Shanghai, the PRC. It is expected that completion of such acquisition will take place in January 2015.

The Directors consider the Placing offers a good opportunity to raise further capital and broaden the shareholders base of the Company thereby increasing the liquidity of the Shares as well as to strengthen the financial position of the Group. The Directors consider that the terms of Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and its Shareholders as a whole.

It is expected that the maximum net proceeds from the Placing (after deducting the placing commission payable to the Placing Agent and other expenses incurred in the Placing) will amount to approximately HK\$117 million. The Company intends to apply approximately 65% of the net proceeds from the Placing for the expansion of the pawnshop business and approximately 35% of the net proceeds for general working capital and other potential investments. As at the date of this announcement, the Company has not entered into any legally binding agreements in relation to any investments, however, the additional capital on hand will facilitate the efficient execution of such potential investment projects, if any.

FUND RAISING DURING THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activity during the past twelve (12) months immediately preceding the date of this announcement.

EFFECT ON SHAREHOLDING OF THE PLACING

The shareholding structure of the Company before and after Completion, are as follows:

	As at the date of this announcement		Immediately after Completion (Note 2)	
	No. of Shares	Approximate per cent.	No. of Shares	Approximate per cent.
Ms. Ma Xiaoling (Note 1)	120,212,256	40.09	120,212,256	33.41
Public Shareholders:				
Placees	–	–	59,969,422	16.67
Other public Shareholders	179,634,858	59.91	179,634,858	49.92
Total	299,847,114	100.00	359,816,536	100.00

Notes:

- Ms. Ma Xiaoling is the beneficial owner of the entire issued share capital of Keenlead Holdings Limited, which owned 120,212,256 Shares.
- Assuming no other issue of new Shares and no repurchase of existing Shares before Completion, and the Placing Agent has placed a total of 59,969,422 Placing Shares to not less than six independent Placees.

GENERAL

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board”	the board of Directors
“Business Day”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“Closing Date”	the third Business Day after fulfilment of the condition precedent of the Placing Agreement or such other date as the Company and the Placing Agent may agree in writing
“Company”	Greater China Holdings Limited, a company incorporated in Bermuda with limited liability and the Shares are listed on the Main Board of the Stock Exchange (Stock Code: 431)
“Completion”	completion of the Placing
“Director(s)”	director(s) of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with up to 59,969,422 Shares, representing approximately 20.0% of the issued share capital of the Company as at the annual general meeting of the Company held on 20 June 2014
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individual(s), professional(s) or institutional investor(s) are independent of and not connected with the directors, chief executive or substantial shareholders of the Company or its subsidiaries or any of their respective associates or any person deemed to be connected by the Stock Exchange and is not acting in concert (within the meaning of the Takeovers Code)
“Last Trading Day”	9 January 2015, being the last day on which the Shares were traded on the Stock Exchange prior to the issue of this announcement

“Listing Committee”	the Listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any person or entity whom the Placing Agent has procured to Subscribe for the Placing Shares
“Placing”	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
“Placing Agent”	Orient Securities (Hong Kong) Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the placing agreement dated 9 January 2015 entered into between the Company and the Placing Agent in respect of the Placing
“Placing Period”	the period commencing immediately after the Placing Agreement is entered into by the parties and expiring at 5:00 p.m. on the 7th Business Day from the day of the Placing Agreement (or such later time and date as the parties may agree in writing)
“Placing Price”	HK\$2.00 per placing Share
“Placing Share(s)”	up to 59,969,422 new Shares, to be allotted and issued pursuant to the terms and condition of the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.005 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong
“%”	per cent.

By Order of the Board
Greater China Holdings Limited
Ma Xiaoling
Chairperson

Hong Kong, 9 January 2015

As at the date of this announcement, the Board comprises Ms. Ma Xiaoling and Ms. Chan Siu Mun as executive Directors, Mr. Chan Sze Hon as non-executive Director; and Mr. Ching Men Ky Carl, Mr. Lin Ruei-min and Mr. Shu Wa Tung Laurence as independent non-executive Directors.