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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 a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in Greater China Financial Holdings Limited (formerly known as Greater China 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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大中華金融控股有限公司

GREATER CHINA FINANCIAL HOLDINGS LIMITED

(formerly known as Greater China Holdings Limited)

(incorporated in Bermuda with limited liability)

(Stock Code: 431)

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

PROPOSED SHARE SUBDIVISION AND NOTICE OF SPECIAL GENERAL MEETING

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 Wednesday, 23 December 2015 at 10:00 a.m. is set out on pages 12 to 14 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.

8 December 2015

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EXPECTED TIMETABLE

The expected timetable for the Share Subdivision is as follows:

Latest time for lodging forms of proxy for the SGM. 10:00 a.m. on
Monday, 21 December 2015

SGM expected to be convened on 10:00 a.m. on
Wednesday, 23 December 2015

Publication of poll results of the SGM Wednesday, 23 December 2015

The following events are conditional on the fulfillment of the conditions of the Share Subdivision:

Effective date of Share Subdivision. Monday, 28 December 2015

Dealing in Subdivided Shares expected to commence 9:00 a.m. on
Monday, 28 December 2015

Original counter for trading in Shares
in board lots of 4,000 Shares will be closed 9:00 a.m. on
Monday, 28 December 2015

Temporary counter for trading in the Subdivided
Shares in board lots of 20,000 Subdivided Shares
(in the form of existing share certificates
(in green) for Shares) opens 9:00 a.m. on
Monday, 28 December 2015

First day of free exchange of existing certificates
(in green) for Shares for new certificates (in blue)
for the Subdivided Shares Monday, 28 December 2015

Original counter for trading in Subdivided Shares
in board lots of 4,000 Subdivided Shares
(in the form of new certificates (in blue)
for Subdivided Shares) reopens 9:00 a.m. on
Tuesday, 12 January 2016

EXPECTED TIMETABLE

Parallel trading in Subdivided Shares and Shares
(in the form of new certificates (in blue)
for Subdivided Shares and existing certificates
(in green) for Shares) commences 9:00 a.m. on
Tuesday, 12 January 2016

Temporary counter for trading in Subdivided Shares
in board lots of 20,000 Subdivided Shares
(in the form of existing certificates (in green)
for Shares) closes 4:00 p.m. on
Monday, 1 February 2016

Parallel trading in Subdivided Shares and Shares
(in the form of new certificates (in blue)
for Subdivided Shares and existing certificates (in green)
for Shares) ends. 4:00 p.m. on
Monday, 1 February 2016

Last day for free exchange of existing certificates
(in green) for Shares for new certificates (in blue)
for Subdivided Shares 4:00 p.m. on
Wednesday, 3 February 2016

Note: all times and dates in this circular refer to Hong Kong local times and dates

Dates or deadlines specified in this circular are indicative only and may be varied by the Company. Any consequential changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

DEFINITIONS

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

“Board”	board of the Directors
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Greater China Financial Holdings Limited 大中華金融控股有限公司 (formerly known as 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)
“Convertible Notes”	the convertible notes in a maximum principal amount of HK\$180,000,000 with the conversion price of HK\$1.2 per Share (subject to adjustments according to its terms)
“Directors”	directors of the Company
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Latest Practicable Date”	4 December 2015, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Shareholders to be convened by the Company to consider and approve the Share Subdivision and the proposed subdivision of preference shares

DEFINITIONS

“Share(s)”	ordinary share(s) of par value of HK\$0.005 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Share Option(s)”	29,984,711 share options approved to be granted under the share option scheme of the Company adopted on 20 June 2011 entitling the holders thereof to subscribe for 29,984,711 Shares
“Share Subdivision”	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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subdivided Share(s)”	ordinary share(s) of par value of HK\$0.001 each in the share capital of the Company upon the Share Subdivision becoming effective
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong

LETTER FROM THE BOARD



大中華金融控股有限公司

GREATER CHINA FINANCIAL HOLDINGS LIMITED

(formerly known as Greater China Holdings Limited)

(incorporated in Bermuda with limited liability)

(Stock Code: 431)

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

Executive Directors:

Mr. Shao Yonghua (*Chairman*)

Mr. Chen Ningdi

Ms. Chan Siu Mun

Non-executive Directors:

Mr. Joseph Shie Jay Lang

Ms. Ma Xiaoling

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

8 December 2015

To the Shareholders,

Dear Sir or Madam,

PROPOSED SHARE SUBDIVISION

INTRODUCTION

Reference is made to the announcement of the Company dated 1 December 2015 in relation to the proposed Share Subdivision. The purpose of this circular is to provide the Shareholders with information in respect of the resolution to be proposed at the SGM for the proposed Share Subdivision and the proposed subdivision of preference shares. A notice of the SGM is set out on pages 12 to 14 of this circular.

LETTER FROM THE BOARD

PROPOSED SHARE SUBDIVISION

The Board proposes to effect (i) the Share Subdivision whereby every one (1) existing issued and unissued Share of par value of HK\$0.005 each in the share capital of the Company will be subdivided into five (5) Subdivided Shares of par value of HK\$0.001 each and (ii) the subdivision of preference shares whereby every one (1) existing issued and unissued preference shares of the Company of par value of HK\$0.005 each in the share capital of the Company will be subdivided into five (5) subdivided preference shares of par value of HK\$0.001 each. The Share Subdivision and the subdivision of preference shares will become effective upon the fulfillment of the conditions set out in the paragraph headed “CONDITIONS OF THE SHARE SUBDIVISION” below.

EFFECT OF SHARE SUBDIVISION

As at the Latest Practicable Date, the authorised share capital of the Company is (i) HK\$110,000 divided into 22,000,000 preference shares of par value of HK\$0.005 each; and (ii) HK\$2,109,890,000 divided into 421,978,000,000 Shares of par value of HK\$0.005 each, of which 646,870,671 Shares are in issue and fully paid.

The issued Shares are listed and traded on the Stock Exchange. None of the securities of the Company is listed, or dealt in, on any other exchange, nor is any listing of or permission to deal in the securities of the Company being, or proposed to be, sought on any other stock exchange.

Assuming that no further Shares will be issued or repurchased after the Latest Practicable Date and upon the Share Subdivision becoming effective, the effect of the Share Subdivision is set out as follows:

	Prior to the Share Subdivision	After the Share Subdivision
Par value of each Share/ preference share	HK\$0.005	HK\$0.001
Authorised:		
Number of Shares/Subdivided Shares	421,978,000,000	2,109,890,000,000
Share capital of Shares/ Subdivided Shares	HK\$2,109,890,000	HK\$2,109,890,000
Number of preference shares	22,000,000	110,000,000
Share capital of preference shares	HK\$110,000	HK\$110,000

LETTER FROM THE BOARD

	Prior to the Share Subdivision	After the Share Subdivision
Issued and fully paid:		
Number of Shares/ Subdivided Shares in issue	646,870,671	3,234,353,355
Issued share capital of Shares/ Subdivided Shares	HK\$3,234,353.355	HK\$3,234,353.355
Unissued:		
Number of unissued Shares/ Subdivided Shares	421,331,129,329	2,106,655,646,645
Unissued share capital of Shares/ Subdivided Shares	HK\$2,106,655,646.645	HK\$2,106,655,646.645
Number of unissued preference shares	22,000,000	110,000,000
Unissued share capital of preference shares	HK\$110,000	HK\$110,000

The Subdivided Shares will rank *pari passu* in all respects with each other and with the Shares in issue prior to the Share Subdivision and the Share Subdivision will not result in any change in the relevant rights of the Shareholders. The subdivided preference shares will rank *pari passu* in all respects with each other and with the preference shares in issue prior to the preference share subdivision and such division will not result in any change in the relevant rights of the holder of preference shares. An application will be made by the Company to the Stock Exchange for the listing of and permission to deal in the Subdivided Shares and any new Subdivided Shares which may fall to be issued pursuant to the exercise of the Share Options and the Convertible Notes arising from the Share Subdivision.

As at the Latest Practicable Date, there are 18,000,000 outstanding Share Options entitling the holders thereof to subscribe for a total of 18,000,000 Shares.

Furthermore, pursuant to the sale and purchase agreement dated 20 November 2014 between 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 entire issued share capital of Oriental Credit Holdings Limited, the consideration shall be satisfied by the Company by way of issue of the Convertible Notes. As at the Latest Practicable Date, a principal amount of HK\$85,401,768.19 of the Convertible Notes has been issued, and a maximum principal amount of HK\$94,598,231.81 has not been issued. A maximum of 150,000,000 Shares can be converted upon exercise of the conversion rights attaching to the Convertible Notes at a conversion price of HK\$1.2.

LETTER FROM THE BOARD

Save for the Share Options and the Convertible Notes, there are no options, warrants, conversion rights or other similar rights giving rights to subscribe for any Shares as at the Latest Practicable Date.

The Directors expect that upon the Share Subdivision becoming effective, adjustment will be made to (i) the exercise price of the outstanding Share Options and the number of Share Options and (ii) the conversion price of the Convertible Notes.

The Company will appoint an auditor or independent financial adviser to certify in writing that (i) the adjustments in relation to the Share Options are in accordance with the terms of the share option schemes adopted on 20 June 2011 and the supplementary guidance regarding the adjustment of share options under Rule 17.03(13) of the Listing Rules and (ii) the adjustments in relation to the Convertible Notes are in accordance with the terms and conditions of the Convertible Notes.

CONDITIONS OF THE SHARE SUBDIVISION

The Share Subdivision and the subdivision of the preference shares are conditional upon:

- (a) the passing of an ordinary resolution by the Shareholders at the SGM approving the Share Subdivision and the subdivision of the preference shares;
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Subdivided Shares and any new Subdivided Shares which may fall to be issued pursuant to the exercise of the Share Options and the Convertible Notes arising from the Share Subdivision; and
- (c) the compliance with the relevant legal procedures and requirements under the Listing Rules and the laws of Bermuda (if any) to effect the Share Subdivision.

The Share Subdivision and the subdivision of the preference shares will become effective after the conditions of the Share Subdivision above are fulfilled. The Shares are currently traded in board lots of 4,000 Shares. Upon the Share Subdivision becoming effective, the board lot size for trading on the Stock Exchange will remain unchanged with 4,000 Subdivided Shares for each board lot. The Share Subdivision will not be expected to result in any odd lots other than those already exist.

LETTER FROM THE BOARD

DEALINGS OF THE SUBDIVIDED SHARES

The Subdivided Shares will be identical in all respects and rank *pari passu* in all respects with each other as to all future dividends and distributions which are declared, made or paid. Subject to the granting of the listing of, and permission to deal in, the Subdivided Shares on the Stock Exchange, the Subdivided Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

For those persons whose interests in the Company are currently held through CCASS, dealings in the Subdivided Shares are expected to be capable of settlement through CCASS with effect from the commencement date of dealings in the Subdivided Shares on the Stock Exchange and without any need on the part of such persons to deposit new share certificates in respect of the Subdivided Shares with HKSCC.

FREE EXCHANGE OF SHARE CERTIFICATES

Subject to the Share Subdivision becoming effective, the existing share certificates will only be valid for delivery, trading and settlement purposes for the period up to 4:00 p.m. on 1 February 2016 and thereafter will not be accepted for delivery, trading and settlement purposes. However, the existing share certificates will continue to be good evidence of title to the Subdivided Shares on the basis of one (1) Share for five (5) Subdivided Shares.

Upon the Share Subdivision becoming effective, the Shareholders can submit their existing share certificates for the Shares 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, in exchange for the new share certificates for the Subdivided Shares free of charge between 9:00 a.m. and 4:00 p.m. on any business day from 28 December 2015 to 3 February 2016 (both days inclusive). After the expiry of such period, existing share certificates will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each existing share certificate cancelled or new share certificate issued (whichever number of share certificates involved is higher). It is expected that new share certificates for the Subdivided Shares will be issued within a period of 10 business days after the submission of the existing share certificates to Tricor Tengis Limited for exchange.

LETTER FROM THE BOARD

New share certificates will be blue in colour so as to be distinguished from the existing share certificates which are green in colour.

REASONS FOR THE SHARE SUBDIVISION

Upon the Share Subdivision becoming effective, the Share Subdivision will decrease the par value of each Share and increase the total number of Shares in issue. The Share Subdivision will result in downward adjustment to the trading price of each share of the Company and the market value per board lot. Based on the closing price of HK\$5.57 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the market value per board lot of existing 4,000 Shares is HK\$22,280. The market value per board lot of 4,000 Subdivided Shares, assuming the Share Subdivision had already become effective, will theoretically be reduced to HK\$4,456. The Directors believe that the reduced amount for investing in a board lot of the Subdivided Shares as a result of the Share Subdivision will improve the liquidity in trading of shares of the Company and thereby would attract more investors and widen the Shareholders base. Given the prevailing Share price, a more liquid market will provide more flexibility for investors to buy and sell shares of the Company.

Save for the expenses to be incurred by the Company in relation to the Share Subdivision, the Share Subdivision will not, by itself, alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Board considers that the Share Subdivision will not have any adverse effect on the financial position of the Company and the Share Subdivision is in the best interests of the Company and its Shareholders as a whole.

TRADING ARRANGEMENT FOR SUBDIVIDED SHARES

Subject to the Share Subdivision becoming effective, dealings in the Subdivided Shares are expected to commence on Monday, 28 December 2015 at 9:00 a.m.. Parallel trading in the Subdivided Shares and Shares (in the form of new share certificates and existing share certificates) will be operated from Tuesday, 12 January 2016 to Monday, 1 February 2016 (both dates inclusive). Full details of the expected timetable and trading arrangement of the Shares are set out in the section headed “Expected Timetable” in this circular.

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 Wednesday, 23 December 2015 at 10:00 a.m. is set out on pages 12 to 14 of this circular.

LETTER FROM THE BOARD

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 accompanying 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.

No Shareholder is required to abstain from voting on the relevant resolution to approve the proposed Share Subdivision at the SGM.

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

The Board considers that the proposed Share Subdivision and the subdivision of the preference shares are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the relevant resolution to be proposed at the SGM.

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 herein or this circular misleading.

Yours faithfully

By Order of the Board

Greater China Financial Holdings Limited

Shao Yonghua

Chairman

NOTICE OF SPECIAL GENERAL MEETING



大中華金融控股有限公司

GREATER CHINA FINANCIAL HOLDINGS LIMITED

(formerly known as Greater China 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 (formerly known as Greater China Holdings Limited) (the “**Company**”) will be held at 10:00 a.m. on Wednesday, 23 December 2015 at Suites 3001-11, Tower Two, Times Square, 1 Matheson Street, Causeway Bay, Hong Kong for the purpose of considering and, if thought fit, passing the following resolution as an ordinary resolution:

ORDINARY RESOLUTION

“**THAT** subject to and conditional upon (i) the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting the listing of, and permission to deal in, the Subdivided Shares (as defined below) and any new Subdivided Shares (as defined below) which may fall to be issued pursuant to the exercise of the share options of the Company and the convertible notes in the maximum principal amount of HK \$180,000,000 arising from the Share Subdivision (as defined below); and (ii) the compliance with the relevant legal procedures and requirements under the Rules Governing the Listing of Securities on the Stock Exchange and the laws of Bermuda (if any), the Share Subdivision (as defined below) and the subdivision of preference shares be approved in the following manner:

- (a) (i) each of the existing issued and unissued shares of the Company of par value of HK\$0.005 each (the “**Shares**”) in the share capital of the Company be sub-divided (the “**Share Subdivision**”) into five (5) sub-divided shares of par value of HK\$0.001 each (the “**Subdivided Shares**”), (ii) each of the existing issued and unissued preference shares of the Company of par value of HK\$0.005 each in the share capital of the Company be subdivided into five (5) subdivided preference shares of par value of HK\$0.001 each; and the Share Subdivision and the subdivision of preference shares shall take effect on the next business day which is not a half-day trading day immediately following the day on which this resolution is passed;

NOTICE OF SPECIAL GENERAL MEETING

- (b) all the Subdivided Shares and subdivided preference shares will rank *pari passu* in all respects with each other with the Shares and subdivided preference shares in issue prior to the Share Subdivision respectively; and
- (c) any one of the directors or company secretary of the Company be and is hereby authorised to do all such acts, deed and things and to effect all necessary actions as he or she may consider necessary or desirable in order to effect, implement and complete any and all of the matters set out in this resolution.”

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

Hong Kong, 8 December 2015

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

Notes:

1. A shareholder entitled to attend and vote at the above 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, 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 member in respect of the joint holding.

NOTICE OF SPECIAL GENERAL MEETING

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 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.