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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>

**DISCLOSEABLE TRANSACTION
IN RESPECT OF THE SUBSCRIPTION OF NEW SHARES IN
SHIFANG HOLDING LIMITED**

Financial adviser to the Company



普頓資本有限公司
PROTON CAPITAL LIMITED

On 22 December 2015 (after trading hours), the Subscriber, a direct wholly-owned subsidiary of the Company, entered into the Subscription Agreement with the Target pursuant to which the Target has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe (by itself or through its nominees), in cash, for 40,000,000 new shares in the Target for an aggregate Subscription Price of HK\$32 million (i.e. HK\$0.80 per Subscription Share).

The Target is ShiFang Holding Limited, which is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 1831). The Target Group is principally engaged in the business of cultural media and advertising media in the PRC.

As one or more of the applicable percentage ratios in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As Completion is subject to the fulfilment (or where applicable, waiver) of the Conditions, the Subscription may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

The Board is pleased to announce that on 22 December 2015 (after trading hours), the Subscriber (a direct wholly-owned subsidiary of the Company) entered into the Subscription Agreement with the Target pursuant to which the Target has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe (by itself or through its nominees), in cash, for 40,000,000 new shares in the Target for an aggregate Subscription Price of HK\$32 million (i.e. HK\$0.80 per Subscription Share).

The principal terms and conditions of the Subscription Agreement are set out below:

Date: 22 December 2015

Parties: (a) the Subscriber, a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company and is principally engaged in investment holding.

(b) ShiFang Holding Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Target and its ultimate beneficial owners are third parties independent of the Company and its connected persons.

Subscription Shares:

The Target has conditionally agreed to issue and the Subscriber has conditionally agreed to subscribe (by itself or through its nominees), in cash, for the Subscription Shares free from all Encumbrances and together with all rights and benefits attaching to the Subscription Shares as at the date of Completion including the right to receive all dividends and other distributions thereafter declared, made or paid on the Subscription Shares save for any right or entitlement on the record date for which precedes the date on which such Subscription Shares are allotted and issued.

The Subscription Shares represent (i) approximately 3.97% of the issued share of the Target as at the date of the Subscription Agreement; and (ii) approximately 3.82% of the issued share capital of the Target as enlarged by the allotment and issue of the Subscription Shares only, assuming there is no change in the issued share capital of the Target save and except for the issue of the Subscription Shares.

Subscription Price

The Subscription Price represents a discount of approximately 62.96% to HK\$2.16, which is the average closing price of the shares of the Target as stated on the daily quotation sheets for the five Business Days immediately prior to the date of the Subscription Agreement. The aggregate Subscription Price payable by the Subscriber for the Subscription shall be HK\$32 million (i.e. HK\$0.80 per Subscription Share), which would be payable by the Subscriber on the date of Completion.

The Subscription Price was determined after arm's length negotiations between the Company and the Target on normal commercial terms having regard to the prevailing market prices of the shares of the Target as quoted on the Stock Exchange. The Company intends to finance the aggregate Subscription Price from part of the net proceeds of the Rights Issue.

The Directors consider that the Subscription Price is fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion of the Subscription Agreement and the transactions contemplated thereunder is conditional upon:

- (a) the Stock Exchange have granted the listing of, and permission to deal in, the relevant Subscription Shares and such approval has not been revoked prior to the Completion;
- (b) (i) the representations and warranties given by the Target herein remaining true, accurate and correct in all material respects from the date of the Subscription Agreement and at any time before the Completion, and (ii) the Target having performed all its obligations hereunder expressed to be performed on or before the Completion;
- (c) the passing by the shareholders of the Target in a general meeting of an ordinary resolution approving the subscription of the relevant Subscription Shares by the Subscriber pursuant to the terms of the Subscription Agreement and the allotment and issuance of the Subscription Shares by the Target in accordance with the requirements of the Listing Rules, its articles of association and as required by law; and
- (d) all the required government and/or regulatory and internal corporate approvals (including, without limitation, the board of directors' approval for the transactions contemplated herein) having been obtained as necessary for the Target to issue the relevant Subscription Shares and perform its obligations under the Subscription Agreement.

The Subscriber may at any time in writing waive in part or in full any of the conditions stated above, save for the conditions set out in (a), (c) and (d).

In the event of the Conditions in (c) above not having been fulfilled or waived by 31 March 2016 (or such later date as may be agreed in writing by the Subscriber and the Target), all rights, obligations and liabilities under the Subscription Agreement shall cease and terminate, save for any antecedent breaches of the Subscription Agreement.

Termination

Notwithstanding anything contained in the Subscription Agreement, the Subscriber may, by written notice to the Target given at any time prior to the time the Subscriber is required to make payment of the relevant Subscription Price to the Target pursuant to the Subscription Agreement, terminate the Subscription Agreement upon the occurrence of any of the following circumstances:

- (a) if there shall have come to the notice of the Subscriber any breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in the Subscription Agreement or any failure by the Target to perform any of its undertakings or obligations in the Subscription Agreement expressed to be performed by it prior to a Completion and such breach or event, having been notified to the Target by the Subscriber in writing, remains unrectified (to the extent which can be rectified) after 5 Business Days after the notification; and

- (b) if from the date of the Subscription Agreement to the completion date there shall have occurred either of the following:
- (i) a suspension or material limitation of trading of the shares of the Target on the Stock Exchange; or
 - (ii) a suspension in trading in the shares of the Target on the Stock Exchange for a consecutive period of 5 trading days (save in respect of any suspension in trading of the shares of the Target (a) for the purposes of clearing the relevant announcement or otherwise in relation to the transactions contemplated in or relating to the Subscription Agreement, and (b) which is of a routine nature).

Upon the above notice being given, the Subscription Agreement shall terminate and be of no further effect and no party to the Subscription Agreement shall be under any liability to the other party in respect of the Subscription which has not been completed, except that the Subscriber and the Target shall remain liable for any liability arising prior to such termination.

Completion

Completion shall take place on the 3rd Business Day after fulfillment or waiver by the Subscriber (as the case may be) of all the Conditions or such other date as may be agreed by the Target and the Company in writing.

INFORMATION OF THE TARGET GROUP

The Target is ShiFang Holding Limited, which is a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 1831). The Target Group is principally engaged in the business of cultural media and advertising media in the PRC.

Set out below is a summary of certain financial information of the Target Group as extracted from the Target's annual report for the year ended 31 December 2014 ("**Annual Report**") and the interim report for the six months ended 30 June 2015 ("**Interim Report**"):

	For the six months ended 30 June 2015 (unaudited)	For the year ended 31 December 2014 (audited)	For the year ended 31 December 2013 (audited)
Net loss (before taxation)	approximately RMB55,033,000 (equivalent to approximately HK\$65,142,562)	approximately RMB302,786,000 (equivalent to approximately HK\$358,407,788)	approximately RMB500,670,000 (equivalent to approximately HK\$592,643,079)
Net loss (after taxation)	approximately RMB54,916,000 (equivalent to approximately HK\$65,004,069)	approximately RMB307,104,000 (equivalent to approximately HK\$363,519,005)	approximately RMB514,385,000 (equivalent to approximately HK\$608,877,525)

According to the Annual Report, the audited consolidated total asset value and net asset value of the Target as at 31 December 2014 were approximately RMB307,040,000 (equivalent to approximately HK\$363,443,248) and approximately RMB206,331,000 (equivalent to approximately HK\$244,234,005).

According to the Interim Report, the unaudited consolidated total asset value and net asset value of the Target as at 30 June 2015 were approximately RMB254,112,000 (equivalent to approximately HK\$300,792,374) and approximately RMB151,415,000 (equivalent to approximately HK\$179,229,936).

As disclosed in the announcement of the Target dated 1 December 2015, the Target has recently completed a placing of new shares and raised net proceeds of approximately HK\$114,552,998.70.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION

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 stated in the Group's annual report for the year ended 31 December 2014, the Group will continue to optimize its business structure, strengthen the management and control system, proactively explore innovation in the business models of quasi-financial sector to enhance the competitiveness of the Group and developmental strength and achieve long-term sustainable growth. On 1 September 2015 the Group announced, among others, the conditional acquisition of a Hong Kong company engaging in Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (the "**Acquisition**"). The Acquisition signifies an important attempt of the Group to enter into the asset management market in Hong Kong and will be completed upon fulfillment of the conditions precedent of the Acquisition.

In addition to the Acquisition, the Group also intends to build up its own investment portfolio in different industries in order to generate stable source of income when and as opportunities arise. The Target Group is principally engaged in the business of cultural media and advertising media in the PRC. The Company understands from the Target that the Target recently entered into a memorandum of understanding in order to participate in the investment of certain media projects in the PRC. Based on the aforesaid, the Board considers that the Subscription is a means of the Group to build up its own investment portfolio by investing in the Target for capital gains and investment returns in future. In view that the Subscription Price is at a material discount to the prevailing market prices of the shares of the Target, the Board is of the view that the terms of the Subscription Agreement are on normal commercial terms and are fair and reasonable and the Subscription is in the interests of the Group and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios in respect of the Subscription is more than 5% but less than 25%, the Subscription constitutes a discloseable transaction of the Company and is subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

As Completion is subject to the fulfilment (or where applicable, waiver) of the Conditions, the Subscription may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expression shall have the following meaning when used herein:

“Board”	the board of Directors
“Business Day(s)”	a day that is not a Saturday, a Sunday or a 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 a day on which a “black” rainstorm warning signal 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) or other day on which banks are required or authorised by law to be closed in Hong Kong
“Company”	Greater China Financial 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 Subscription Agreement in accordance with its terms and conditions
“Conditions”	the conditions precedent to which the Completion is subject to as set out in paragraph headed “Conditions precedent” of this announcement, and “Condition” shall be construed accordingly
“connected person(s)”	has the meaning ascribed to it in the Listing Rules
“Directors”	directors of the Company
“Encumbrance”	any interest or equity of any person (including any right to acquire, option or right of pre-emption), voting arrangement, title retention, mortgage, charge, pledge, bill of sale, lien (otherwise than arising by statute or operation of law), deposit, hypothecation, assignment or any other encumbrance, priority or security interest, deferred purchase, title retention, leasing, sale-and-repurchase or sale-and-leaseback arrangement or arrangement or interest under any contract or trust or any other third party interest of whatsoever nature over or in the relevant property, assets or rights of whatsoever nature and includes any agreement for any of the same
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region and Taiwan for the purposes of this announcement
“Rights Issue”	rights issue of the Company as disclosed in the Company’s prospectus dated 27 October 2015
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Summit Yield Developments Limited, a company incorporated in the British Virgin Islands with limited liability, a direct wholly-owned subsidiary of the Company
“Subscription”	the proposed subscription of the Subscription Shares as contemplated under the Subscription Agreement
“Subscription Agreement”	the Subscription Agreement dated 22 December 2015 entered into between the Subscriber and the Target in relation to the Subscription
“Subscription Price”	HK\$0.80 per Subscription Share
“Subscription Share(s)”	new share(s) of HK\$0.10 each in the capital of the Target
“Target”	ShiFang Holding Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (Stock Code: 1831)
“Target Group”	the Target and its subsidiaries from time to time
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 22 December 2015

For the purposes of illustration only, any amounts denominated in RMB in this announcement are converted into HK\$ at the rate of RMB1 = HK\$1.1837. Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted of any particular rate at all.

As at the date of this announcement, the Board comprises Mr. Shao Yonghua, Mr. Chen Ningdi and Ms. Chan Siu Mun as executive Directors; Ms. Ma Xiaoling and Mr. Joseph Shie Jay Lang as non-executive Directors; and Mr. Jin Bingrong, Mr. Kwan Kei Chor and Dr. Rui Mingjie as independent non-executive Directors.